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Algeria... 4.00 Din. Iran... 115 Rial. Oman... 0.900 Bahr.
Austria... 2.50 S. Brazil... 1,000 Lira. Portugal... 125 Esc.
Belgium... 20 Franc. Canada... 2.00 Can. Dollar... 6.50 Belg.
Denmark... 20 Dkr. Korea... 200 Won. Saudi Arabia... 2.00 R.
Egypt... 1.00 P.L.E. Kuwait... 1.00 Dinar. Spain... 166.64 Pes.
France... 6.50 FF. Libya... 1.00 Din. Sweden... 4.60 S.Kr.
Germany... 2.00 DM. Luxembourg... 30 Lfr. Switzerland... 2.50 S.Fr.
Greece... 200 Dr. Monaco... 100 M.C. Taiwan... 0.700 N.T.
Hong Kong... 10.00 HKD. Netherlands... 1.00 Gld. Turkey... 1.200 Lira.
India... 100 Rupee. Norway... 3.00 Nkr. U.S.A. (Excl. Puerto Rico)
Japan... 100 Yen. U.S.A. (Incl. Puerto Rico) 1.00 Dollar

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New U.S. Priority: 'Competitive' Economy

By Peter T. Kilborn
New York Times Service
WASHINGTON — Behind the scenes of "competitiveness" that President Ronald Reagan struck in his State of the Union Message lies a political attention to failings in the American economy that have troubled industrial analysts for years.

Although the proposals the president made Tuesday under the rubric of competitiveness were modest indeed, in asking, "How well are we prepared to enter the 21st century?" the president has attempted to lay the groundwork for a debate that his aides hope will become the focus of the administration's economic policies over its remaining two years.

At the core of the issue is abundant evidence that the celebrated American standard of living — the measure of how well the nation is able to keep itself fed, housed and healthy — is losing ground to even such countries as Britain and Italy, which are often cited as cases of industrial decline.

The president wants to seize the political initiative before the issue has been captured by his opposition. His strategy, aides say, is to play to the same populist passions that helped him sell his administration's most significant legislative achievement, last year's overhaul of the tax system.

LATE NEWS

SALT-2 Bill Is Introduced

WASHINGTON (NYT) — Four senators, two Republicans and two Democrats, introduced legislation Thursday that would exempt the United States from the limits of the second strategic arms treaty of 1979.

The United States exceeded those limits in November by converting its 131st bomber so that it could carry cruise missiles.

INSIDE TODAY



Christian Lacroix's pout for Pateo, renewing Paris fashion leadership. Hebe Dorsey, Page 6.

GENERAL NEWS

U.S. airlines may become immune from antitrust suits for consulting on schedules, under an agency proposal. Page 3.

BUSINESS/FINANCE
Japan faces a deep recession, a U.S. official warned. Page 11.

To Beat Levy, a Cognac 'Airlift'

Huge Shipments to U.S. May Disrupt Markets for Months

By Ferdinand Proetzman
International Herald Tribune
FRANKFURT — Alain Braastad-Delamain's family has been producing fine brandy in the French town of Jarnac for more than two centuries.

But in his 23 years in the business, Mr. Braastad-Delamain says, he has never seen anything like the "Berlin airlift" that brandy producers mounted this month in a race to ship stocks to the United States to beat a threatened 200-percent increase in tariffs.

The higher tariffs, which were to have taken effect Friday, appeared to have been averted Thursday when U.S. and European Community negotiators settled a bitter dispute over grain sales to Spain.

The measures would have affected about \$430 million worth of EC farm products.

But for Mr. Braastad-Delamain and other European farm producers caught in the squeeze, the reports of an agreement caused little rejoicing.

The activity of the last few weeks almost certainly will disrupt markets and business for many months, they say. And many EC producers worry that the threat of huge tariffs has set a dangerous precedent that the United States will use again and again as it tries to cope with protectionist sentiment among American farmers, manufacturers and Congress.

"It all came as such a shock that the Americans would do this," said Mr. Braastad-Delamain, whose family owns Cognac Delamain, a small producer of very fine brandies. "We had to ship very quickly. We must defend ourselves and protect our customers."

A Chicago-based importer and wholesaler of wines and spirits described the rush as "the Berlin airlift of Cognac. We've got about four years' worth of it in our warehouse right now," he said.

Beverage industry analysts estimated that a six- to nine-month supply of Cognac has entered the United States since Jan. 1 — or 650,000 to 980,000 cases, compared

with 1.3 million for all of 1986. The Reagan administration announced the levy increase Dec. 31.

Gen. another target of the tariffs, also has pondered into the United States, according to Norman Burroughs.

The EC has agreed to grant wide concessions to the U.S. in their grain dispute. Page 11.

rough chairman of James Burrough PLC in London, which makes Beefeater gin.

He said his company had shipped "several months' worth" of gin during the first two weeks of January.

In trying to protect itself, he said, his company has had to sacrifice its future business needs.

"It's been very disruptive," Mr. Burroughs said. "Now we have a plant here that will be under-utilized for the next few months, because of the glut in the States."

Meanwhile, the planning and preparation for the future that normally is done in January has not been done.

"And we've had to virtually ignore our other important export markets," he said. "I'm the chairman and I have had no time for anything else for the past six weeks."

The U.S. action goes back to January 1986, when Spain and Portugal became the 11th and 12th members of the European Community. Under EC rules, the newcomers had to raise their tariffs on corn and sorghum products imported from the United States.

The Reagan administration, faced with a domestic farm crisis, was furious at the EC's requirement, saying it would cost American farmers about \$430 million a year.

U.S. demands for compensation have been the subject of negotiations for more than a year. When the talks became stalled last month, the White House said it would impose a 200 percent tariff on EC farm products.

See AIRLIFT, Page 15

ing scandal on Wall Street that centers on the activities of Ivan F. Boesky, a stock speculator who was ordered to pay a \$100 million fine to the government.

Mr. Boesky, who has spoken out often for a higher morality in public affairs, was testifying at a Senate Banking Committee hearing into corporate raiding.

To limit takeovers, the committee is considering changes in laws governing the rights of shareholders to vote on corporate policy.

He said abuses were threatening the integrity of the U.S. securities markets, the safety of financial institutions and the use of capital for economic growth.

What is needed, Mr. Boesky said, are limits on the amount of high-yield, high-risk junk bonds that can be carried by financial institutions, and a minimum period of perhaps a year before shareholders are eligible to vote on major corporate matters.

The committee's chairman, Senator William Proxmire, Democrat of Wisconsin, and other committee members agreed that takeovers were hurting the U.S. economy.

"Corporate raiders, who produce little, but trade a lot of paper, make off with tens and sometimes hundreds of millions of dollars," Mr. Proxmire said, "while leaving thousands of corporate employees out of work."

Senator John Heinz, Republican of Pennsylvania, noted that "Managers can't worry about competing with the Japanese if they're busy competing with Wall Streeters for market shares in their own firms."

See U.S. BANKER, Page 15

U.S. Banker Denounces A 'Cancer Called Greed'

WASHINGTON — Felix G. Rohatyn, the prominent New York investment banker, says that changes should be made in corporate takeover laws to curb abuses that he believes are threatening the U.S. financial industry.

"We in the financial community have to face a hard truth: There is a cancer threatening our industry. The cancer is called greed," Mr. Rohatyn, a senior partner in Lazard Freres & Co., told a congressional committee late Wednesday.

The greed, he said, "is specifically focused on the recent wave of huge junk-bond-financed takeovers and on the various activities related to them."

"It's most deeply disturbing aspect, so far, has been the Ivan Boesky affair," Mr. Rohatyn said. He was referring to an insider-trading



Rebellious troops on Thursday ended their three-day occupation of a broadcasting station in suburban Manila.



Ferdinand E. Marcos, at his home in Hawaii, discussing an aborted plan to return to Manila.

Marcos's Return Is Aborted

U.S. Blocks Plan; He Complains of Being Prisoner

MANILA — Ferdinand E. Marcos abandoned a plan to return to the Philippines on a plane piloted by American mercenaries after the plan was discovered by Philippine and U.S. authorities, government officials said here Thursday.

They said Mr. Marcos's wife, Imelda, had prepared for her and her husband's return by buying about \$2,000 worth of combat uniforms in an army surplus store in Hawaii. The Marcoses have been living in exile there since February.

The plan had been timed to coincide with this week's military revolt in Manila, the officials said. The revolt was blocked by the government.

In Washington, the White House acknowledged that it told Mr. Marcos that his leaving would violate terms of his stay in the United States.

Larry Speakes, the White House spokesman, said, "We reviewed our agreements with him and he decided not to go."

In Honolulu, Mr. Marcos said that U.S. officials told him he would be physically prevented from going aboard any plane headed for the Philippines.

"Now I am being treated like a prisoner," he said.

Mr. Speakes said that when Mr. Marcos was given political asylum in the United States in February, "it was with the understanding that he could come and go as he pleased with one exception — that was, if he wished to return to the Philippines, he could do so only by prior agreement with the Philippine government."

Mr. Speakes said Philippine government officials informed the United States on Wednesday that

Manila Rebels End Uprising; Aquino Vows Stiff Penalties

By Michael Richardson
International Herald Tribune

MANILA — Rebellious troops who attempted this week to take over military bases and communication centers in Manila ended their three-day seizure of a television station Thursday with a peaceful surrender.

But the question of punishment remained open and raised the possibility of serious tensions between the government and the military.

President Corason C. Aquino, taking a much harsher line than his top commanders, said Thursday that everyone implicated in the armed revolt, military as well as civilian, would be "held to the fullest account."

But the military chief of staff, General Fidel V. Ramos, said that talk of courts-martial was "premature."

The final evacuation of the television compound by the 190 soldiers

was delayed by more than six hours because they demanded an amnesty.

Still carrying their weapons, the men finally left the premises unconditionally after being warned by a government military negotiator that they had until sundown to submit. They were taken by bus under escort to a military camp for interrogation.

Mrs. Aquino, who also is commander-in-chief of the armed forces, commended the way in which the military brought the uprising to a peaceful conclusion.

Speaking to a university audience, she said there had been "a determined effort to disrupt the affairs of government and the nation at large."

She said the revolt had been a "clear attempt to overthrow the first principle of democracy, which is civilian supremacy."

Officials said the president was convinced that she had overwhelming popular support for her firm stand against efforts to destabilize her government as the country prepared for a plebiscite on a proposed constitution.

The constitution, which Mrs. Aquino has called vital to political stability, would fix a six-year presidential term, meaning that Mrs. Aquino would not be required to hold a presidential election until 1992.

Officials said about 500 people, including several generals and a number of opposition political figures, were under interrogation or suspicion in connection with the incident.

Mrs. Aquino said it was for courts and military tribunals to determine guilt and punishment.

She said civilians implicated in the affair would be charged with rebellion. Justice Minister Nepali Gonzales said that military personnel involved would be court-martialed and penalties "could range up to the firing squad."

But General Ramos said he thought it was "premature" to talk about courts-martial because that would depend upon evidence of wrongdoing following an investigation.

Government pressure for decisive action against the rebels also prompted a group of influential middle-ranking officers to warn General Ramos in a two-and-a-half hour meeting that ended early Thursday not to use force to end the occupation.

A cabinet source said that the See MANILA, Page 6

Britain Warns of Ending City's Self-Regulation

LONDON — Paul Channon, Britain's trade and industry secretary, has threatened to end self-regulation of London's financial district if scandals continue.

Mr. Channon told the House of Commons late Wednesday that Prime Minister Margaret Thatcher's government was determined to enforce high standards in the City, the financial district.

He said there were "discussions to be had between government and City regulatory bodies" with a view to tightening up the self-regulation system. But he added: "If practitioners do not respect this system, we will replace it with one making greater use of statutory powers and sanctions."

He spoke as political pressure rose over the scandal surrounding Guinness PLC, the British brewing giant that has admitted manipulating its stock during its takeover last year of Distillers Co.

Mr. Channon has faced criticism from the opposition Labor Party that the Conservative government is not doing enough to combat insider trading and other illegal practices.

He said he did not believe that the City's self-regulatory Takeover Panel should be given statutory powers. The panel rules on whether takeover bids conform with the City's code on standards of fair dealing. Such rulings have no legal force and compliance with them is voluntary.

Mr. Channon said the government also planned to review other potential reforms designed to strengthen City regulations on takeovers.

He said his department would particularly look at whether corporate law needs to be reformed.

John Smith, a trade and industry spokesman for Labor, said the Guinness affair showed that the self-regulatory system was inadequate.

Labor legislators have accused the Conservatives of complacency during a wave of takeovers involving British companies.

But the House of Commons, where the Conservatives have a majority, voted 283-181 to defeat a Labor motion calling for the immediate establishment of an independent statutory commission to supervise the City's financial services.

(AFP, AP)



Paul Channon

Hostage Issue Fails to Excite West Germans

By James M. Markham
New York Times Service

BONN — On many nights, it is the third or fourth item on the evening television news programs. The relatives of the victims have not become overnight television personalities. Politicians have not sought to make political hay, and the government is silent.

Two West German business representatives have been kidnapped in West Beirut, apparently in an attempt to force Chancellor Helmut Kohl into freeing Mohammed Ali Hamadeh, a terrorist suspect wanted in the United States in connection with the 1985 hijacking of a Trans World Airlines plane.

The situation is, on the face of it, a compelling human and political drama and, for this country, something new. Yet West Germany's press and television have been covering the story with enormous restraint, and the country appears to be rather unexcited.

One obvious reason is that Mr. Kohl has been fairly successful in withholding information on the case and, in a capital that is usually one of the most open in Western Europe, hard information is difficult to obtain.

An aide said: "The chancellor really came down like a sledgeham-



This photograph of Robert Polhill, an American kidnapped in West Beirut last weekend, was released Thursday by the group that claimed responsibility for his abduction. Page 2.

mer on this one and said that if anyone talked on this one that would be it for him.

As a result, mysterious "developments" have been reported in the case that are difficult to check. From Beirut, news agencies have discovered the presence of a man, apparently a West German intermediary named Bernhard Fischer, who is supposed to have material-

ized at the Lebanese Defense Ministry at Yaze outside the city.

Mr. Fischer, if he exists, appears almost as disembodied as an "Arab from southern Germany," who, according to Der Spiegel, has informed government officials that one of the kidnapped Germans, Rudolf Cordes, is in good health.

"Proof" of Mr. Cordes's well-being

was said to be a photocopy of the German's identity card.

On Tuesday, when the news broke of the arrest of the terrorist suspect's brother at Frankfurt Airport, many officials were characteristically tight-lipped. But eventually the details of the story dribbled out, including the news that the police had stormed an apartment in the Saarland where he lived and wounded one Arab man and detained several others.

In the United States, the Carter presidency was brought down by the 44-day Iran hostage drama, which became a marathon television spectacular. Yet although the kidnappings of the two Germans occurred at the end of a national election campaign, no politician tried to exploit them and, as far as can be discerned, they had no influence on the elections Sunday.

Just before the voting, perhaps surprisingly, Hans-Jochen Vogel, the opposition Social Democrats' parliamentary floor leader, tersely urged Mr. Kohl to show firmness in the case. But Mr. Vogel was justice minister in the 1970s when the government of Helmut Schmidt was buffeted by a wave of terror.

Hans-Joachim Friedrichs, a television commentator who lived for See BONN, Page 6

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Hans-Joachim Friedrichs, a television commentator who lived for See BONN, Page 6



FIRST MEETING — Oliver Tambo, president of the African National Congress, greeting George P. Shultz, the U.S. secretary of state, in Washington. Page 6.

Bush Calls Iran Sales 'Debatable'

By James Gerstenzang
Los Angeles Times Service

WASHINGTON — Vice President George Bush, in an apparent move to demonstrate a measure of independence from the White House and the taint of the Iran-contra affair, has called President Ronald Reagan's arms sale to Iran "debatable."

Mr. Bush, in a television interview Wednesday, said, "On the surface, you can make the case that it's wrong." But he continued to assert his support for Mr. Reagan's policy.

Meanwhile, one day after delivering a speech that Republicans hoped would ignite a White House recovery from the arms sale operation scandal, the president was faced with complaints, even from Republican allies, that his effort to address the crisis was insufficient.

One Republican congressional aide said, "Most Republicans felt he looked good, but would have preferred to have heard more on Iran, to allay their fears and calm their concerns." He added, "I don't think he did that, but I don't think it was a total disaster."

Mr. Reagan said in his State of the Union address Tuesday that "serious mistakes were made" in the sale of U.S. arms to Iran, that it "did not work" and that he took "full responsibility."

In addition to the problems the Iran operation has presented to Mr. Reagan, it creates a special problem for Mr. Bush in his quest for the 1988 Republican presidential nomination.

With Mr. Reagan's popular support diminished, Mr. Bush can either distance himself from the policy — at the risk of appearing disloyal — or pronounce his support for Mr. Reagan at the risk of

See BUSH, Page 6

Navy Maneuvers in Gulf Called 'Precautionary'; U.S. Considers Options

By Don Oberdorfer
Washington Post Service

WASHINGTON — A senior Reagan administration official has described U.S. naval movements in and near the Gulf as "precautionary measures" to protect strategic interests and disclosed that the government was considering "a whole range of options" for additional steps.

The statements, in a White House briefing Wednesday to discuss a new report on U.S. strategy prepared by the National Security Council staff, were the first public signs of a policy review toward the Gulf that has been under way for several weeks.

Two interagency meetings have been held on the situation since Iranian forces began their current push toward the Iraqi city of Basra, but the discussion of additional action has not yet reached the top level of the National Security Council involving President Ronald Reagan and his cabinet-level advisers, according to official sources.

The senior White House briefers spoke of "a whole range of options" being under consideration in response to a question about the possible supply of U.S. aid or equipment to either side in the Iran-Iraq war.

The Reagan administration secretly transferred arms to Iran from September 1985 through October 1986.

Secretary of State George P. Shultz has declared that no more arms will be supplied to Iran, and the U.S. strategy report released Wednesday at the White House de-

clared that "until Iran ceases its efforts to prolong the senseless war with Iraq, we will actively work to block the flow of arms and military material to Iran."

Until now, the administration has refused to supply arms to Iraq, though it was disclosed late last year that the United States secretly had supplied intelligence information to assist the Iraqis in their war with Iran.

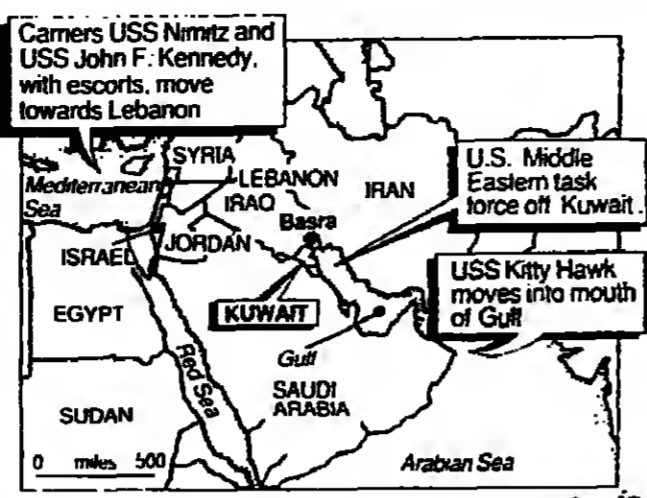
White House and State Department officials sought to discourage speculation about a U.S. supply of arms to Iraq, saying that Iraq has plenty of armaments and equipment from other sources.

The administration recently has been stepping up its supply of arms to Arab states it believes threatened by Iran, proposing the first sale of F-16 fighters to Bahrain and a new sale of armored personnel carriers to Saudi Arabia. Further military sales to Arab nations are under consideration.

About the U.S. fleet movements, the White House briefers said, "We are simply concerned over rising tensions in general" in the Gulf and want to "make sure that we are prepared if our strategic interests are threatened and to show support for our friends in the region."

At another point the senior official expressed concern about damage to U.S. interests and those of friendly nations that could result "were you to see any kind of Iranian aggression down through the Gulf."

Other officials expressed particular concern about Iranian threats to Kuwait, which borders Iraq and



which has a mutual security pact with Saudi Arabia.

Official sources said three U.S. ships from the U.S. Middle East command were now in the northern part of the Gulf, while three warships of the fleet remain south of the Strait of Hormuz.

The aircraft carrier Kitty Hawk and an accompanying battle group have been dispatched to the northern Arabian Sea just outside the Gulf, the sources said. The Kitty Hawk, which had been in the Philippines, is reported to be a week away from its Arabian Sea station.

Iran Claims New Advances

Iran said Thursday that its forces made fresh advances inside Iraqi territory, and Baghdad reported air strikes on an Iranian oil terminal as Islamic leaders called for a truce in the war, Reuters reported from Manama, Bahrain.

Tehran immediately rejected the peace call by the 46-member Islamic Conference Organization, which said in a communiqué after a four-day meeting in Kuwait that the war threatened regional peace and security.

Tehran Radio said Iranian troops, in a three-pronged attack, were moving into new positions

Islamic Jihad Develops Split, Complicating Hostage Negotiations

New York Times Service

NEW YORK — A split has developed within Islamic Jihad, the clandestine pro-Iranian group holding at least two Americans hostage in Lebanon, and it may have had an effect on an Anglican envoy's effort to free the captives.

The group is divided between militants opposed to releasing hostages under any circumstances and others who are close to figures in the Iranian regime who wish to trade captives for American weapons.

The Church of England envoy, Terry Waite, apparently has been in contact with the less strident group.

Islamic Jihad is believed to consist of Lebanese Shiite Muslims loyal to Ayatollah Ruhollah Khomeini, the spiritual leader of the Iranian revolution. They and their Iranian colleagues in Tehran seek to promote Islamic revolution worldwide.

The group came on the scene in early 1984 when it seized Americans on the streets of West Beirut, the predominantly Muslim part of the Lebanese capital.

Its demands at the time were confined to the release of 17 prisoners in Kuwait. The prisoners, some Lebanese and the others Iraqi, belonged to a Tehran-based group led by Iraqi political exiles dedicated to the overthrow of the regime of President Saddam Hussein of Iraq. They were convicted of a wave of bomb attacks against U.S. and French targets in Kuwait in December 1983.

A group calling itself the Islamic Jihad for the Liberation of Pales-

tine said Wednesday night that it was responsible for the kidnapping Saturday of four professors from Beirut University College — three Americans and an Indian who holds resident alien status in the United States. These abductions brought to eight the number of U.S. nationals known to be held hostage in Lebanon.

Islamic Jihad is still believed to be holding at least two Americans: Terry A. Anderson, chief Middle East correspondent of The Associated Press, and Thomas M. Sutherland, acting dean of agriculture at the American University of Beirut.

The disclosure in recent months of U.S. arms dealings with Iran — apparently as part of an effort to gain the hostages' release — stemmed in part from a power struggle between factions in the Tehran government.

That power struggle has filtered down to surrogates in Lebanon, including leaders of Islamic Jihad. Hard-liners within the group contend that there should be no dealings with the "great Satan," the title that Ayatollah Khomeini has bestowed on the United States.

There are reports from Lebanon that Mr. Waite, who has not been seen since Jan. 20, was taken to the Bekaa region of eastern Lebanon to meet with the two U.S. hostages. There also has been speculation that he was taken to another country, possibly Iran, where the captives may be held. The kidnappers are known to move the hostages regularly.

The more moderate faction of Islamic Jihad has shown confidence in Mr. Waite as an honest broker and a convenient conduit to get their message to the Western world, look upon him as an extension of American influence and want nothing to do with him.

Death Threats Issued

Islamic Jihad for the Liberation of Palestine said Thursday that it would kill the university professors in event of "any attack" by the United States, Reuters reported from Beirut.

The group issued its threat in a handwritten statement delivered to an international news agency in Beirut. It authenticated its statement with a photograph of Professor Robert Polhill standing against a wall with two rifles pointed at his head.

The group was unknown before it issued a statement Wednesday night claiming the abduction Saturday of Mr. Polhill and three other professors from Beirut University College — Alan Steen and Jesse Turner, both Americans, and Mithleshwar Singh, an Indian who has lived in the United States.

"We announce that we will execute the four American hostages as an initial message as soon as any attack is launched," the statement said.

The group apparently was reacting to reports that the United States had moved aircraft carriers and other warships toward the eastern Mediterranean and northern Gulf.

Shultz Comments

The group responsible for the latest kidnappings in Beirut are linked to each other, Secretary of State George P. Shultz said Thursday. The Associated Press reported.

Asked on a satellite news conference with reporters in Rome, Israel and Japan who was responsible for the recent kidnappings, he said: "It is our basic information that, with whatever names may emerge, they are to a substantial degree linked together."

WORLD BRIEFS

Chad Says Libya Bombed Key Outpost

NDJAMENA, Chad (Reuters) — Chad reported Thursday that Libya planes attacked Fada, a government outpost in the northeast of the country. Chadian officials also said that Libya was increasing its military strength in the country.

Radio Ndjamena said that Libyan aircraft began bombing Fada on Wednesday afternoon. The key oasis town was recaptured by Chadian forces earlier this month after three years of occupation by Libya and Libyan-backed rebels.

The state radio added that "heavy and fierce" bombing continued Thursday morning at Fada, where an estimated 1,000 Libyan soldiers were routed Jan. 2 by President Hissène Habré's army. The radio accused Libya of amassing "a huge quantity of equipment and troops" for an "early onslaught." Chadian officials said there now were 13,000 Libyan troops stationed in the northern desert.

Somali Rebel to Speak About Hostages

LONDON (AFP) — The leader of the rebel Somali National Movement is to make an announcement Friday on 10 French aid workers kidnapped in northern Somalia last weekend, a spokesman for the movement, Osman Ahmed, said here Thursday.

He said the announcement by the movement's president, Ahmed Mohammed Silanyo, will "not displease you," adding, "I assure you, you won't be disappointed."

Mr. Ahmed refused to say what role the group, which is backed by Ethiopia, had played in the kidnapping of the six women and four men, who are members of the humanitarian organization Doctors Without Borders. They were seized at a refugee camp near the Ethiopian border on Jan. 23.

Spanish Students Discussing Offer

MADRID (Reuters) — Spanish students continued a boycott of classes Thursday as they discussed a government offer to increase education spending, and striking teachers held talks with Education Ministry officials.

On Wednesday, Education Minister José María Ascaso Ferrer offered students a package valued at \$155 million for more schools, more scholarships, free university studies for poor students and fee increases linked to inflation. However, he rejected their central demand to end university entrance examinations. Student leaders said the offer would not stop two months of unrest, but they agreed to resume talks Monday.

Striking state school teachers met with officials from the Education Ministry on Thursday to discuss grievances against a new professional statute that they claim would worsen their career prospects. Officials called the strike a failure, while teachers claimed a success rate of 60 percent. School teachers in the private sector were staging a separate strike.

Vienna Talks on Troop Cuts Reopen

VIENNA (Reuters) — The deadlocked East-West talks on cutting conventional forces in Central Europe resumed Thursday after a winter break, with both sides stating their commitment to reach at least a partial agreement.

But the 19-nation talks, which have been going on for 13 years, were overshadowed by proposals from the Warsaw Pact and the North Atlantic Treaty Organization to establish another conference to agree on arms limitation across the continent.

The Dutch ambassador to the Vienna talks, Jan Hein van der Mortel, said, "The problems which confronted the sides here and now in these negotiations would not disappear in a new forum." But both he and a Soviet spokesman, Nikolai Neiland, said any agreement reached here would form a useful basis for future talks on wider issues.

Reagan Will Veto Clean Water Bill

WASHINGTON (AP) — In his first confrontation with the Democratic-controlled Congress, President Ronald Reagan told congressional leaders Thursday he would veto the \$18 billion Clean Water Act. Leaders predicted the veto will be overridden.

The measure, which provides aid to states for building waste-water and sewage treatment plants, was passed by overwhelming margins earlier this month in both the Senate and House of Representatives. It is nearly identical to a bill passed last year and vetoed by the president after Congress had adjourned.

Mr. Reagan objected that the measure would cost too much money. "I think he is probably right but he will probably be overridden," said Senator Bob Dole of Kansas, leader of the chamber's Republican minority.

For the Record

Long Island Rail Road employees returned to work from an 11-day strike Thursday under an order signed by President Ronald Reagan, but trains on the nation's busiest commuter line were expected to remain idle until Saturday.

Prime Minister Jacques Chirac of France will meet with President Ronald Reagan on March 31 during a visit to the United States, the White House announced Thursday.

Police in Puerto Rico arrested a third suspect Thursday in the New Year's Eve hotel fire in San Juan in which 96 people were killed. He was taken to court to face charges of arson, murder and conspiracy, officials said.

Travel Note

Manchester airport in northern England was closed to passengers Thursday after firefighters went on strike in a dispute about pay and conditions, an airport spokesman said. Regulations prohibit passenger aircraft from operating without full fire cover.

Correction

The French terms for joining a new conference to reduce conventional forces across Europe — that France would be prepared to join if the talks were linked to the Vienna Conference on Security and Cooperation in Europe — were incorrectly attributed in Tuesday's editions to Warren Zimmerman, who heads the U.S. delegation to the Vienna conference. The information on France was obtained from French diplomats in Vienna and Brussels.

BBC Director Resigns Post After Spy Satellite Disclosure

LONDON — The director general of the British Broadcasting Corporation, Alasdair Milne, resigned Thursday as a controversy continued over a canceled BBC television program that revealed British plans to launch a spy satellite over the Soviet Union.

Officials at the state-chartered television and radio network said that Mr. Milne, 56, who directed BBC since July 1982, resigned for "personal reasons."

They declined to elaborate but said the deputy director general, Michael Checkland, would take over Mr. Milne's duties temporarily.

The governing Conservative Party in October attacked the BBC, which is guaranteed editorial freedom under its 1927 charter, for an alleged leftist bias in its news and public affairs programs.

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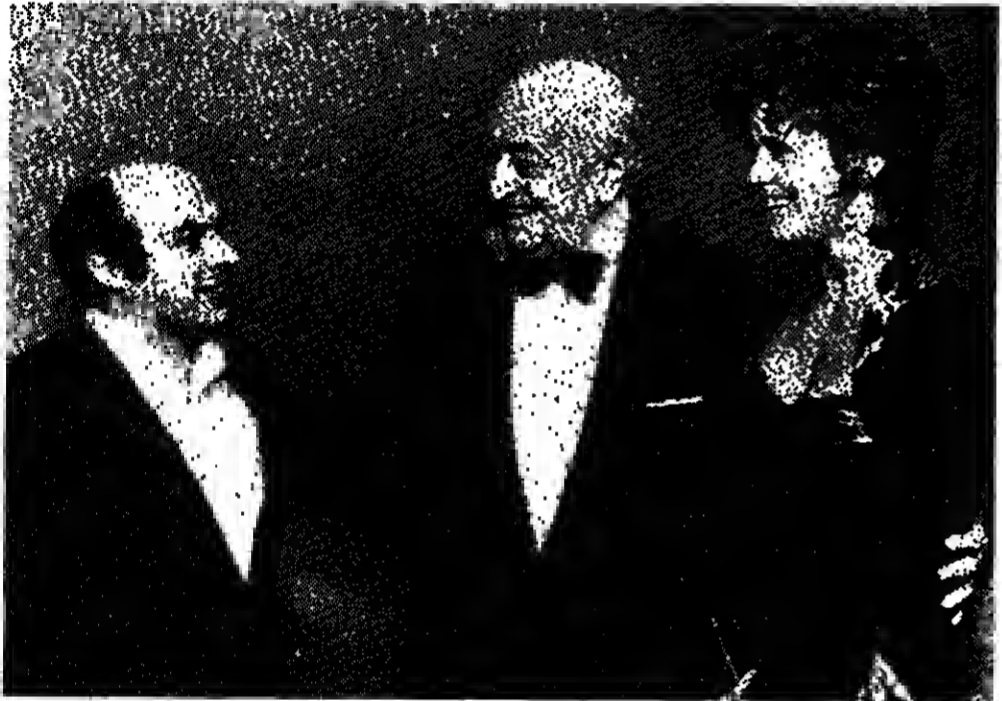
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This situation has led political analysts to search for any sign that the power-sharing arrangement may unravel. Presidential elections are scheduled for next year.



Anatoli B. Shcharansky, a former dissident, is greeted by Simon Wiesenthal, the Nazi hunter, and the actress Jane Fonda before receiving a humanitarian award in Los Angeles.

Shcharansky Warns on Gorbachev

By Edward J. Boyer
Los Angeles Times Service

LOS ANGELES — Anatoli B. Shcharansky, the former Soviet dissident released in an East-West exchange of prisoners last year, has warned that the West must not be misled by the "public relations" image projected by Mikhail S. Gorbachev, the Soviet leader.

Mr. Shcharansky, 38, who now prefers the Hebrew name Natan and the spelling Sharanaky, was in Los Angeles to receive the Simon Wiesenthal Center's 1987 Humanitarian Award for what the center

Official Soviet Journal Prints Anti-Stalin Poem

MOSCOW — With clear official support, a Moscow journal published an impassioned plea Thursday for the Soviet Union to face the truth about the "rampage of evil" under the rule of Stalin.

The appeal was the central theme of a long-suppressed work by a top Soviet poet and editor drawing a bitter portrait of the Stalinist terror that brought ordinary people to "behave like beasts" and betray parents and friends.

The autobiographical poem was written in the late 1960s by Alexander Tvardovsky, one of the literary champions of de-Stalinization, at a time when under the leadership under Leonid I. Brezhnev had barred discussion of the Stalin period.

Publication of the poem, "By Right of Memory," in the monthly Znamya coincided with the public release of a surrealist film, "Repentance," also dealing with Stalin's brutal rule and its legacy in the Soviet Union today.

But while the film's director, Tengiz Abuladze, has declined to say publicly that it is a portrayal of the dictator, the Tvardovsky poem deals directly with Stalin and the spiritual slavery in which people lived under him.

Soviet officials say the move toward frank treatment of Stalin, who ruled from 1924 until his death in 1953, is part of Mikhail S. Gorbachev's policy of *glasnost*, or openness, in discussing the country's past and present.

One Soviet literary figure said Thursday: "Tvardovsky's poem could well become the rallying cry for all of us who feel we can only start anew if we shake off the shackles of the past. And we can only do that if we know about it."

In his poem, Tvardovsky, who died in 1971, recalls how millions meekly joined in praise of Stalin as "the father of the nation" even when they and their families had been victims of his terror.

"Fear, which that wicked age put by all our beds, taught us to keep silent while evil was on the rampage," he wrote.

The poem, published by émigrés in the West in 1969, recounts how Tvardovsky himself renounced his own father, a peasant despatched to a Siberian labor camp at the time of the collectivization of agriculture in the late 1920s.



Alexander Tvardovsky

Chinese Leader Sets Limits on Drive to Curb Liberal Leanings

By Jim Mann
Los Angeles Times Service

BEIJING — Prime Minister Zhao Ziyang sought Thursday to set down some well-defined limits to prevent the Communist Party campaign against Western democratic influences from getting out of hand.

Speaking at ceremonies in the Great Hall of the People here to celebrate the beginning of the Chinese New Year, Mr. Zhao said that the campaign would apply only to the 44 million members of the Communist Party, and not to the rest of China's population.

Furthermore, he indicated, the campaign would not be carried out in China's rural areas at all and its effect will be restrained in factories and other urban enterprises. The thrust of the campaign, he said, would be "in the political ideological field" — that is, among intellectuals and party leaders.

"Of course," he said, "disciplinary action will be taken, in accordance with the party constitution, against a very limited number of party members who have committed serious mistakes showing serious consequences, and who do not observe party discipline."

Before he spoke, Mr. Zhao was introduced to the more than 4,000 officials to the crowd by Peng Zhen, the 84-year-old chairman of the Standing Committee of the National People's Congress. Mr. Peng has emerged as the leader of conservative forces within the power structure.

Mr. Peng has been calling for an end to departures from party orthodoxy. On Wednesday, in a speech given front-page coverage by the People's Daily and other Communist Party papers, he told writers and artists they should read and study the lectures given to Chinese intellectuals by Mao Zedong in 1942.

In those lectures, given at Yanan, Mao told intellectuals they should "be open for the proletariat and the masses, bending their backs to the tasks until their dying day."

Mr. Peng's appeal was one of several recent instances in which conservative forces within the Chi-

drive against "bourgeois liberalization" will not be allowed to turn into a widespread political movement, such as the cultural revolution.

"In carrying out education in opposing bourgeois liberalization, no practices of leftist mistakes will be repeated or will be permitted," he said. "We will not hurt, but will sincerely unite, the overwhelming majority, including the majority of comrades directly engaged in the political ideological field."

Mr. Zhao's speech essentially followed along the lines of an official news service commentary that was read Wednesday night in the middle of a nationwide television entertainment show.

On Thursday, the Guangming Ribao, the Communist Party newspaper for intellectuals, carried its own commentary saying that the campaign "must not be dragged into the territory of ordinary life and production."

"We mustn't name names or look for people to blame at every level," the newspaper said.

BBC Director Resigns Post After Spy Satellite Disclosure

LONDON — The director general of the British Broadcasting Corporation, Alasdair Milne, resigned Thursday as a controversy continued over a canceled BBC television program that revealed British plans to launch a spy satellite over the Soviet Union.

Officials at the state-chartered television and radio network said that Mr. Milne, 56, who directed BBC since July 1982, resigned for "personal reasons."

They declined to elaborate but said the deputy director general, Michael Checkland, would take over Mr. Milne's duties temporarily.

The governing Conservative Party in October attacked the BBC, which is guaranteed editorial freedom under its 1927 charter, for an alleged leftist bias in its news and public affairs programs.

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U.S. Airlines to Receive Antitrust Immunity for Conferring on Schedules

By Robert E. Dallos
Los Angeles Times Service

NEW YORK — In an effort to reduce serious and increasing delays affecting U.S. airline passengers, the government plans to give airlines immunity from antitrust laws to allow them to talk about schedules, the Transportation Department has announced.

Transportation Secretary Elizabeth Hanford Dole, announcing the action Wednesday, also said the agency planned to determine whether the airlines "routinely misrepresent their schedules to consumers," thus contributing to the delays.

"The department proposes to grant antitrust immunity to the airlines to permit them to conduct joint discussions aimed at adjusting schedules to reduce delays," Mrs. Dole said. "I hope this action will encourage the airlines to move some flights to less congested times and reduce delays."

An official in the department who declined to be identified by name said Wednesday that the Justice Department was not consulted on the antitrust aspects of the action. The Transportation Department has authority for the move under the Civil Aviation Act, the official said.

Airlines and other interested parties, such as members of Congress, consumer groups and the Justice Department, have 15 days to file objections or other comments. Then the department will have 10 days to challenge those objections.

"It is expected that the airlines' schedule talks could begin in about a month 'if everything goes smoothly,'" the department's announcement said. Flight delays have increased substantially in the past year "to the increased frustration of the traveling public." At the 22 busiest airports, it said, 387,000 flights were delayed in 1986 compared with 295,000 in 1985.



Elizabeth Hanford Dole

U.S. to Delay Opening of Nuclear Dump

By Cass Peterson
Washington Post Service

WASHINGTON — The Energy Department has announced that it intends to delay until 2003 the opening of the first U.S. dump for highly radioactive nuclear waste and will move ahead with plans for a temporary storage facility at the site of the abandoned Clinch River breeder reactor in Tennessee.

Wednesday's announcement, which was strongly criticized by some members of Congress, was the latest shift in the effort to find a final burial ground for nuclear waste from more than 100 U.S. civilian power plants.

The department said it needed the postponement to do a thorough and complete job of handling waste generated by nuclear power plants. The extra five years, it said, would be used to conduct research, meet licensing requirements and consult with affected states and Indian tribes.

The \$100 billion "civilian waste repository," as it is known, will be the eventual home of up to 70,000 tons (63,000 metric tons) of waste so dangerously radioactive that it must be isolated in deep underground caverns against leakage or deterioration for at least 10,000 years. By law, the first site is supposed to be in operation by 1998.

The department narrowed its search last year to three sites in the U.S. West: Deaf Smith County, Texas; Yucca Mountain, Nevada; and the Hanford nuclear reservation in Washington state. At the same time, the department said it was postponing its search, also required by law, for a site in the East.

Until a permanent dump is ready, the department said it hopes to store much of that waste in a "monitored retrievable storage" facility at the Clinch River site near Oak Ridge, Tennessee. Congress, which cut off funding for the breeder reactor project there after years of controversy, has not authorized building the storage site.

Several members of Congress denounced the department's decision as "blatantly illegal" and said it demonstrated that the selection process was not working.

"What the DOE is saying is, 'Here's what we're going to do, regardless of the law,'" said Representative Ron Wyden, Democrat of Oregon. "They said they need more technical information, more time to work with the states. If that's the case, then the straightforward way is to come to Congress."

But the postponement drew cautious approval from representatives of states that are reluctant finalists for the first dump.

"It's a partial victory," said Representative Larry Combest, Republican of Texas, "in that my day's gives us the chance to try to ensure the process was carried out according to the letter of the law, which I don't believe it was."

In Brazil, the News Is Often One Man's Opinion

By Alan Riding
New York Times Service

RIO DE JANEIRO — Every weekday evening at 7:55, at least 50 million Brazilians scattered across this huge land, including one oafy dressed 82-year-old man with a telephone by his side, watch the day's news as chosen, interpreted and broadcast by Globo TV, Brazil's largest television network.

As sole owner of the network, the man with the telephone, Roberto Marinho, watches with special attention. After the 30-minute broadcast, Mr. Marinho invariably calls the newscroom with comments, suggestions and complaints.

"We give all necessary information, but our opinions are in one way or other dependent on my character, my convictions and my patriotism," Mr. Marinho said in a recent interview. "I assume responsibility for everything I run."

He expects few surprises. Before the broadcast, he will already have been consulted by senior news editors on how sensitive reports should be handled. As one network reporter said, "we're pretty well attuned to his likes and dislikes."

With ratings showing that 70 to 80 percent of the viewing audience in Brazil watches Globo TV is clearly a key center of power today. Yet perhaps what most distinguishes it from major networks abroad is that Mr. Marinho unabashedly uses this power politically, reaching daily into 17 million homes to adjust the picture through which most adult Brazilians see this country and the world.

"Yes, I use this power," he said in the interview at his office here, "but I always do so patriotically, trying to correct things, looking for the best paths for the country and its states. We would like to have the power to fix everything that doesn't work in Brazil."

Yet as Brazil gradually emerges from the shadow of two decades of military rule and as a newly elected Congress prepares to write a new constitution, debate is growing over whether Globo TV's dominant role in shaping public opinion is appropriate to building a more openly democratic society.

Profoundly, the strongest criticism of Globo TV has come from those politicians whom Mr. Marinho has opposed, most recently Leonel Brizola, a Socialist who is the departing governor of Rio de Janeiro. Mr. Brizola attributed the defeat of his chosen successor in elections in November to the "electronic shock" applied to voters by the network's campaign against his government.

Mr. Marinho did not dispute this assessment.

"At a determined moment, I became convinced that Mr. Leonel Brizola was a bad governor," he said. "He transformed the marvelous city that is Rio into a parlo of beggars and peddlers. I came to consider Mr. Brizola harmful and



Roberto Marinho, Owner of Globo TV

'We give all necessary information, but our opinions are in one way or other dependent on my character, my convictions and my patriotism.'

— Roberto Marinho, Owner of Globo TV

major cities. How can you talk of a crisis of credibility when we have a larger audience every day?"

Mr. Marinho, having run his family's newspaper, O Globo, for 40 years, diversified into television in 1965. By combining artistic talent with efficient management, he gradually built it into what is today — after the three American giants, the world's fourth largest commercial network.

Globo comprises seven fully owned stations, including those in Rio de Janeiro, São Paulo and Brasília; six partly owned stations, and 36 affiliated ones.

Globo TV has had extraordinary success in providing the sort of programs that Brazilians like, above all slickly made, often sophisticated soap operas that at times get 100 percent audience ratings.

The importance of the evening news is that, sandwiched between the two main soap operas of the day, it has a near-captive audience of tens of millions. Further, although Globo TV's entertainment programs have had enormous impact on cultural tastes here, it is the "National Journal" at 7:55 P.M. that provides Mr. Marinho with his main political clout.

At the national level, he generally uses this power to support the government of President José Sarney, whose right-of-center philosophy he shares.

"I don't think you'll see Sarney taking the initiative to try to reduce Marinho's power," a well-placed official said. "Marinho is too important as an ally and too dangerous as an enemy."

Chilean Editor Is Honored

ISTANBUL — Juan Pablo Cárdenas, editor of the Chilean magazine *Análisis*, has been awarded the 1987 International Federation of Newspaper Publishers' Golden Pen of Freedom, the federation said Thursday.

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Arab-Americans Protest Arrests in Los Angeles

By Lena Williams
New York Times Service

WASHINGTON — Arab-American and civil liberties groups have condemned as "politically motivated" the arrest of nine persons in Los Angeles who are said to be supporters of a militant Palestinian group.

"Arab-Americans are stunned by the manner in which these arrests were conducted and the bases of these arrests," said James J. Zogby, executive director of the Arab American Institute in Washington on Wednesday. "The nine arrested face no criminal charges, yet apparently were deemed a risk to the security of Americans solely because of political opinions they may or may not hold."

The suspects, eight Jordanians and a Kenyan, were taken into custody by the Federal Bureau of Investigation and immigration agents in raids early Monday and charged with immigration violations.

The suspects, who are subject to deportation, had been scheduled to appear before a federal immigration judge in Los Angeles on Wednesday on charges that they had violated immigration laws dealing with espionage, sabotage and public disorder. But the hearing was postponed until Feb. 6.

One, the FBI said, was the southern California leader of the group, the Popular Front for the Liberation of Palestine. He was identified as Khader Musa Hamide. The FBI said Monday that seven of the nine were linked to the front.

The Popular Front, led by Georges Habash, is a leftist faction of the Palestine Liberation Organization headed by Yasser Arafat.

Leaders of several Arab-American groups asserted that the arrests were spurred by recent events in Lebanon, where three Americans were kidnapped last weekend.

"The FBI is using the law for political purposes in support of the administration's policies in the Middle East," said the president of the American Arab Relations Committee in New York, Mohamed T. Mehad.

Justice Explanation

The Justice Department decided to arrest the Palestinians on charges of immigration violations after a long FBI investigation failed to turn up evidence of plans to commit criminal or terrorist acts, department sources told. The Washington Post on Wednesday.

An official familiar with the investigation said FBI agents had "found no information that they were about to commit a violent act." The agency "looked at them quite a while," the official said, adding, "They were not able to prove a conspiracy."

Carlo Cassola, Pioneer Of 'New Novel,' Dies

MONTECARLO, Italy — Carlo Cassola, 69, whose fiction is considered a forerunner of the French *nouveau roman*, died here Thursday of complications following a heart attack, his family said.

The Italian author of more than 20 books, Mr. Cassola was best known for his "Il taglio del bosco" ("The Felling of the Forest"), a collection of short stories published in 1949, and the novel "La ragazza di Bube" ("Bubo's Girl"), published in 1960.

Mr. Cassola died at his home in Montecarlo, a central Italian village, shortly after returning from the hospital where he had been treated since suffering a heart attack Jan. 19.

Often viewed by literary critics as anticipating the French "new novel," Mr. Cassola's books are stripped of action and loaded with detail in his striving for narrative objectivity. The French literary movement emphasized the role of the narrator in shaping novels.

Galo Plaza, 80, Former Ecuador President

QUITO, Ecuador (AP) — Former President Galo Plaza, 80, widely considered Ecuador's most distinguished public figure and statesman, died Wednesday of heart failure, a spokesman for Hospital Metropolitan said.

The spokesman said that Mr. Plaza's pneumonia, inserted last year in an operation in the United States, apparently failed.

Mr. Plaza was president from 1948 to 1952 and later served as secretary-general of the Organization of American States. He was widely respected within Ecuador for his balanced views on politics and international issues.

Other deaths:

Jozsef Zentgraf, 79, a former Yugoslavian ambassador to Israel and Austria, killed Tuesday by ice falling from a roof in Ljubljana, Yugoslavia.

Hugh M. Newkum, 72, former Paris-based overseas manager of the New York Herald Tribune Syndicate from 1953 to 1963, Jan. 26 at his home in Sussex, England.

Rene Adrien Samuel G. Faoua, 87, who received the Medal of Honor for heroism during the Japanese attack on Pearl Harbor and whose story helped build the USS Arizona Memorial, Tuesday in Decatur, Georgia.

Elizabeth Gilmore Holt, 81, an art historian who wrote widely on the social context of art, Monday in Washington.

Suit Settled Over Movie Of Plath Book

BOSTON — A psychiatrist settled a lawsuit Thursday that alleged that a movie of "The Bell Jar," the novel by Sylvia Plath, defamed her by creating lesbian scenes for character the psychiatrist asserted was based on her own life and relationship with Miss Plath.

Dr. Jane V. Anderson is to receive a \$150,000 settlement and all parties in the suit, including Ted Hughes, Miss Plath's widower and Britain's poet laureate, acknowledged that Dr. Anderson was "unintentionally defamed."

The settlement came as a trial into the suit was scheduled to enter its sixth day Thursday with Dr. Anderson to take the witness stand for cross-examination.

The defendants also agreed that future copies of the movie, "The Bell Jar," would begin with a disclaimer that characters and events depicted in the film are fictional.

"I feel absolutely great and I feel vindicated," Dr. Anderson said.

After the settlement was reached, Mr. Hughes said, "I'm glad they're over."

The agreement, under which the defendants waived their right to appeal, stipulated that Dr. Anderson was falsely portrayed as a homosexual, as a person who attempted suicide, as someone who had encouraged another person to commit suicide, and as someone who killed herself by hanging.

Named as defendants with Mr. Hughes, who sold the movie rights, were 13 companies and individuals involved in the production and distribution of the movie.

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Khashoggi Firm Seeks Relief Under U.S. Bankruptcy Law

WASHINGTON — Triad America Corp., the U.S. holding company of the Saudi arms merchant, Adnan M. Khashoggi, has filed for protection under bankruptcy laws, a move that freezes lawsuits filed against the firm for unpaid debts.

Mr. Khashoggi played a key role in brokering the secret U.S. arms shipments to Iran. He has claimed that he lost \$10 million in the transaction and that he expects the United States to repay him.

In nine separate petitions filed in U.S. Bankruptcy Court in Los Angeles, Triad America and eight of its subsidiaries listed more than \$300 million in debts.

The purpose of the petitions,

Sahara Guerrilla Group Frees Swede, Spaniard

ALGIERS — The Polisario independence movement in the Western Sahara handed over the two occupants of a yacht sunk off the coast of the former Spanish colony to officials of their respective embassies, the guerrilla organization said Thursday.

A 62-year-old Swedish yachtsman, Rolf Asserback, and his Spanish companion, Maria Teresa Gonzalez Gomez, 22, were picked up after a Polisario rubber canoe sank their yacht on Jan. 21. Diplomatic sources said the release occurred near the Algerian oasis of Tindouf, the guerrillas' main operational base in the fight against Moroccan control.

China Signs U.S. Contract

BEIJING — China's satellite-orbiting service has agreed to carry a U.S. satellite into space, the Kinshua press agency said Thursday.

Dutch Ground F-16s For Checks on Canopies

THE HAGUE — The Dutch Air Force said Thursday it had grounded about half of its 150 F-16 fighter bomber aircraft for tests after the U.S. designers ordered safety checks on cockpit canopies.

A spokesman said the tests were expected to last a few days and if canopies were found difficult to operate they would be repaired.

Fifteen Dutch F-16s have crashed since they entered service in 1979. The air force is scheduled to have 162 of the planes by 1991.

Engineer Who Tried to Stop Challenger Launch Sues Thiokol

By Nancy Lewis
Washington Post Service

WASHINGTON — A former engineer for Morton Thiokol Inc. who tried to stop last year's fatal launch of the space shuttle Challenger has filed a \$1 billion damage suit, saying that the rocket manufacturer ruined his health and career after he testified before the presidential commission investigating the disaster.

Roger Boisjoly, 48, of Willard, Utah, claimed in his civil damages suit filed Wednesday, the first anniversary of the disaster, that the

deaths of the seven Challenger astronauts were "criminal homicides" committed by Morton Thiokol. The company manufactured the solid-fuel booster rockets whose failure led to the disaster.

Legal observers said that while the lawsuit might have symbolic significance, it is unlikely that "criminal homicide" charges will survive in the federal court here, where the suit was filed.

Mr. Boisjoly retired from the company in October on a disability pension because of "post-traumatic stress disorder and depression caused directly by the disaster" and his treatment after testifying, according to the suit.

"Roger feels very strongly about what happened," said Robert N. Levin, Mr. Boisjoly's attorney. "But even today, a year later, there has not been an inquiry that focused on who was responsible for the accident."

Inquiries by the presidential commission and Congress dwelt primarily with the "technical side," Mr. Levin said, "what kind of management and structural changes were needed to prevent a recurrence."

He said Mr. Boisjoly's suit was designed to address the question of responsibility. Officials of Morton Thiokol could not be reached for comment.

Mr. Boisjoly is one of several Morton Thiokol engineers who warned against launching the Challenger in cold weather, only to be challenged by officials of the National Aeronautics and Space Administration and overruled by Thiokol management.

He testified before the presidential commission and a congressional panel investigating the shuttle

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OPINION

INTERNATIONAL Herald Tribune

A Russian Revolution

Now Mikhail Gorbachev has turned his reformist zeal on the ultimate redoubt against change in the Soviet Union, the Communist Party. Yes, overcoming systemic inefficiency and cynicism still looks almost impossible. Yet, the West should understand that Mr. Gorbachev's call for democratization and an open society do not mean to him what they meant to Thomas Jefferson. Yet the Soviet leader's bold course makes a remarkable drama.

This week's proposed reforms are all the more striking for their circumstances. He delivered his message on party inadequacies to the party Central Committee itself. He called for secret, competitive elections to party offices, an unusual party conference next year to discuss rules and personnel changes and for new laws to protect journalists and citizens who criticize superiors. The Central Committee, despite rampant opposition, reportedly accepted the spirit behind the speech and many of its details, and agreed to draft the rest.

As in any entrenched dictatorship, proposals for reform look dramatic simply for being uttered. General Secretary Gorbachev does not propose open elections. Party-picked states and one-party rule will remain. Yet he holds the party responsible for stagnation, and for change.

The Union Is Adrift

We set ourselves up every year for these terrific State of the Union crashes. The art form has always been 60 percent show business and 40 percent (with luck) content, more water than meat. Ronald Reagan has developed the showmanship aspects of the event to an unprecedented degree. But on Tuesday night the whole thing had become so thin and contentless as to be positively eerie. The on-cue, rigged applause from the party faithful did not help; in fact, it heightened the impression of empty staginess.

A word of explanation: We do not hold with that view which insisted that Mr. Reagan "apologize" to the American people in his speech for the Iran fiasco. That was a kind of set-up; in any case, some ritual remorse—even that which he did provide about the "risk" and the "mistake" and the rest—was not what was wanted from the president. What was wanted, and has been from the beginning and will continue to be, is a sign that Mr. Reagan knows what really happened and how bad it is and that he is trying to figure out how his government could have gone so far wrong and what can be done about it now. There was no sense of any of that in the speech. Whether Ronald Reagan understands and cares about what happened to him and his presidency is the big question in Washington now.

For the rest, the speech seemed largely a collection of implausible policy arguments. The defense budget is the most obvious and painful change. There was no one in that chamber Tuesday night who cannot say, "I ask you to vote out a defense and foreign

Other Comment

Reagan's Course and Resolve The nation wants, and needs, a strong and vigorous leader at the helm through the coming two years. But President Reagan's State of the Union address Tuesday night failed to provide a plan for sailing from a murky present into an uncertain future.

The president puffed up the economic good news that he could find and mostly ignored the bad. He talked of a rare opportunity of negotiating arms control with the Soviets, but gave no inkling of how, when or where. He insists that he will not budge from his Strategic Defense Initiative, although that stubborn position is precisely what is standing in the way of arms control.

To his credit, Mr. Reagan assumed full responsibility for the Iran-contra affair, and called it his "one major regret." But he was not able to put the issue behind him with his meek vow to get to the bottom of it and take whatever action is called for. Alas, the president gave the people no indication that he yet knows just quite what went wrong with the arms-sale adventure.

Nevertheless, with the president's policies, but everyone wants the presidency to succeed. Swift currents are at work, both internationally and domestically. A boat needs to keep moving forward in order to maintain direction. Take the hand off the tiller, and it comes up directly into the wind and stalls, its sails flapping without purpose. That is the sort of State of the Union that was presented on Tuesday.

Those who expected to see a weakened, even bumble president, were disappointed. The aim of the Iran operation had been "worthy," he said, and America must not be intimidated and back away from future risks in the service of "peace and freedom."

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A Classic Reagan Speech, Worn Very Thin

By Edwin M. Yoder Jr.

WASHINGTON — Long before Ronald Reagan stepped to the House rostrum for his sixth State of the Union address, the political handicappers had set him a severe test — the severest, some said, of his presidency. Would the oldest president, after surgery, look hale and hearty? Would he, after losing the Senate and letting subordinates run off with Iranian policy, seem the master of his own house?

As usual, he passed the test of appearances summa cum laude. The indices of personal respect and affection were all at normal levels. But the president's standing as a political leader remains in doubt, and as usual the signs of erosion were subtle. There was, for instance, the jokey, almost surrealistic mood of his congressional audience, with its outbursts of untimely laughter (what is so funny about calling the budget deficit "outrageous") and its contrived standing ovations. And the speech, the text was old and comfortable, a magical mystery tour of good lines from past years, familiar attitudes that, like them or loathe them, have assumed a soothing predictability.

The nation's or the world's vexations may change from year to year, and some of them, like the trade deficit, may intensify. The president's

responses never vary. He is still for freedom and against tyranny, for a balanced budget and against higher taxes, for school prayer and against cynicism about the future. He is for self-reliance and against the welfare monster, for the people, against government. If, as is said, a fanatic is someone who cannot change his mind and will not change the subject, Ronald Reagan is a sort of fanatic. But as the columnist Garry Willis puts it, he is "that most disarming of political apparitions, the kindly fanatic."

Long ago, these classic Reagan views wore a smooth patina through the nation's consciousness, as American as apple pie or the Lewis and Clark expedition. They have far less to do with the state of the union, in any given year, than with the president's perennial and unbending sentiments about it. But after six years of reiteration, they pass like muzak from ear to ear without meshing with anything so prosaic as a fact.

As expected, the president briefly addressed the Iranian arms scandal. "Serious mistakes were made," he admits — but what mistakes, and by whom? His use of the passive voice blurs any

sense of accountability. The president seemed again to imply that the policy was right. But he has nothing to say about the sober reckoning now apparent in the epidemic of hostage-taking and the Iranian siege of Basra, bolstered by the weapons and spare parts America supplied. This cannot be all, or even a serious part, of what the president will eventually have to say about this.

It is the same in domestic policy. The president says he will press Congress for those mechanical devices — the balanced-budget amendment, the item veto — which, even if passed, would be small compensation for the intelligent fiscal policy now lacking. He promises new initiatives in health, scientific research, education and welfare — the very sectors his administration has pared to their lowest budget levels in 20 years. There was applause, but was anyone really listening?

It may be that nations, like individuals, need a robust dream life for their psychic well-being. And once again, Ronald Reagan has given the American people the state of the union as they would like to think of it. Doing so has brought political success for him and pleasant dreams for the rest of us. But after six years of this, the alarm bells are too noisy to be ignored.

Washington Post Writers Group.

To Fight the Rising Yen, Japan Must Grow at Home

By Robert J. Samnelson

WASHINGTON — The Japanese are starting to grumble. A recent newspaper poll found that the proportion of people complaining about their lives increased from 22 percent to 35 percent during the past year. The main problem is the rising yen, which is hurting many companies. It is hard to sympathize. Japan's huge trade surplus was bound to result in a higher yen, making its exports more expensive. A prudent nation would have prepared for the end of its export boom. Japan has not.

A wrenching change is needed: the elimination of many of the heavily subsidized farmers.

rising yen is now shattering this dream. Either Japan will increase its domestic growth and imports, or a rising yen will reduce exports and cause a recession. Everyone should hope Japan expands faster at home, because a healthy world economy needs a growing Japan. But the job will not be easy. It requires the wrenching social change that Japan avoids: eliminating many of its heavily subsidized farmers.

Farms now occupy land that could be better used for housing, as James Fallows argues in the January issue of The Atlantic. With land scarce, housing prices are exorbitant. To afford a home, the Japanese become huge savers. If Japan did not protect its farmers, it would import more food and have more land for housing. Food costs would drop, and housing would become cheaper. Savings might decline and, as consumption rose, the Japanese might buy more abroad.

The whole point of international trade is to raise everyone's living standards. Countries specialize in what they do best, and trade allows these strengths to be shared. By this logic — the theory of comparative advantage — Japan would long ago have stopped protecting its farmers. Instead, it maintains strict quotas against imported rice and beef.

The Japanese export obsession stems from Japan's paucity of raw materials — fuel, minerals, grains. The nation needs to export to buy these imports. By contrast, imports that disrupt existing industries are not considered desirable, even if they improve living standards. The result is national hypocrisy. "We open our markets slowly, but snugly preach free trade to the rest of the world," writes Kenji Ohmae, head of the Tokyo office of McKinsey & Co. and the consultants in his forthcoming book "Beyond National Borders."

Politically, this formula stirs resentment against Japan around the world. Economically, it is shortsighted, as the foreign exchange markets are now showing. Exports alone cannot create steady economic growth. The problem is that generating more spending at home involves difficult political choices. Some easy measures (more government spending, tax cuts, lower interest rates) might help temporarily. But changes that allow the Japanese to spend more on themselves would disrupt the status quo. They would hurt farmers, while easing urban congestion. Consider:

• In a country where 70 percent of the land is mountains, forests or water, farmland occupies about the same amount of land as all other uses — homes, businesses, schools, parks and roads, according to Mr. Fallows. Even in cities, there are scattered rice paddies.



Rough weather in Tokyo

States and nine times higher than in Australia, Mr. Ohmae said.

The Japanese spend about 23 percent of their disposable income on food, about a quarter higher than the U.S. share (18.6 percent in 1984).

The price of an average overseas home is nearly seven times average family income. In the United States, the average home costs three times median family income, and new U.S. homes are 50 percent larger than their Japanese counterparts.

To be fair, Japan did not create the low yen. High U.S. interest rates, leading to large Japanese investments in dollar bonds, were a major cause. Nor can anyone deny that much of Japan's export success reflects the high quality of its cars, electronics and machinery. But the low yen could not last, and the Japanese did not see that because they did not want to. A low yen fit their vision of an ideal world. By making their manufactured goods more competitive, it cre-

ated jobs. Meanwhile, imports became more expensive and less threatening. Japanese economic forecasts consistently have missed the yen's rise. These errors reflect wishful thinking on a national scale.

It was precisely Japan's rising trade surpluses and its increasing overseas investments that made a higher yen inevitable. Put simply, Japan now earns far more abroad, mostly in dollars, than it wants to spend. The surplus dollars, when sold for yen, push up the yen's value.

Only the Japanese know all the changes necessary to produce faster growth at home. Only they can decide what kind of society they want. But they cannot have trade only on their own terms. Either they accept comparative advantage — seizing the opportunity to live more comfortably, but abandoning their least efficient industries — or suffer slow growth and continuing trade conflicts.

The Furor Around an Agency That Chun's Brother Ran

By Selig S. Harrison

This is the second of two articles.

WASHINGTON — The transcript of South Korea's National Assembly, which is not published but can be consulted in the Assembly library, is replete with angry exchanges over the secrecy surrounding the financial records of Saemaul, the public works program recently headed by Chun Kyung Hwan, the president's brother.

On Aug. 26, 1985, an opposition deputy, Kim Tong Choo, cited Finance Ministry data indicating that Saemaul had received \$475 million over a four-year period.

He demanded to know "why the General Accounting Office has not audited these funds even once, and why this assembly is not given the slightest accounting."

Another opposition deputy, Kim Jong Bo, pointed out that the difference between the import cost and the domestic distribution price of beef cattle totaled \$542 million from 1980 to 1984, and \$80 million in 1985 alone. Fiesticuffs occurred in a committee meeting when Mr. Kim asked where the money had gone.

Beyond questions of misappropriation, the allegations even went so far as to make it clear that the money had been used to buy private cars for high officials and links with the leader of the notorious Mokpo gang, Chong Yu Sop.

Then Ye Chun Ho, a leader of the former ruling party, said the president's brother had given a land reclamation contract to a construction firm controlled by Mr. Chong and had strolled with Mr. Chong after a Saemaul ceremony in Shinan.

Mr. Hyun denied that the president's brother had any ties to leaders of organized crime.

Mr. Yoon said in an interview that Mr. Hong had recruited his men from the Seoul Judo School. He said that the president's brother had used

his influence to elevate the school, his alma mater, to the status of a heavily subsidized college.

The nightclub murders occurred on Aug. 14. On Aug. 23, Chun Kyung Hwan resigned as Saemaul director and left for the United States. The government announced that he had been chosen to participate in a rural development seminar at Harvard's Kennedy School of Government. Opposition leaders said the real purpose of the academic arrangement was to get him out of the country.

Chun Kyung Hwan returned to Seoul in late December. Various ef-

orts to reach him went unsuccessful. The Korean Embassy in Washington said that the allegations about Chun Kyung Hwan "are simply lies with no basis or truth."

Apart from the corruption issue, other even more important factors account for the growing strength of the opposition. Archbishop Kim Su Hwan, a prominent critic of the regime, says that the big conglomerates have prospered at the expense of small business, farmers and labor.

Fifteen million urban workers, prohibited from organizing free unions, earn as little as \$3 a day. As

Deng Has 'Killed the Monkey'

By Carroll Bogert

HONG KONG — Recent events in China have put a new twist on the old adage, "Kill the chicken to scare the monkey." The proverb illustrates a time-honored political tactic of frightening one's main opponent by attacking those around him.

But Deng Xiaoping, in dismissing Hu Yaobang, the Communist Party general secretary, has killed the monkey. And a lot of chickens in China are going to be very, very nervous.

The chickens in this case are the intellectuals on whom China's modernization depends. They took heart last year when top party officials, led by Mr. Hu, called for more creativity, more criticism of mistakes, more openness. Many intellectuals believed their government really wanted, in the phrase Mao used 30 years ago, to let a hundred flowers bloom.

The success of economic reform hinges on good new ideas. Adroit management is needed to invigorate and redirect the nation's outmoded economy, and Mr. Deng knows it. He has always sought to give intellectuals a greater voice — but he no longer likes what they are saying.

Mr. Hu had protected several of China's most famous intellectuals. His ouster indicates how deeply old-guard conservatives resented the free speech that was beginning to threaten Communist Party authority.

democracy. And some older intellectuals sympathize with the protesters' demands. Enterprise managers, frustrated by the party's stranglehold on the economy, have been vociferous supporters of democracy.

Chinese intellectuals are not like their Soviet counterparts. Historically, they have played a Confucian role as government servants and advisers to the emperor. They tend to remain loyal to the state even if the regime in power does not favor them. Chinese dissidents are a relatively rare phenomenon, and in the West there is no group of disaffected Chinese comparable to the Soviet émigrés.

Cynicism, however, is on the rebound now. Men whom intellectuals admire, like the journalist Liu Binyan and the think-tank director, Su Shaozhi, are being attacked again. Their fall is another bad sign for the country's frightened chickens.

The fighting between reformers and conservatives is not likely to become full-scale warfare, as during the Cultural Revolution, but it will vastly complicate the task of governance. And Mr. Deng has no designated successor nor that Mr. Hu is gone. He and Zhao Ziyang, the interim party chief, face an uphill battle in continuing economic reforms. They need the intellectuals' support to do so; they are no longer likely to get it.

The writer, a correspondent for Newsweek in Asia, contributed this comment to The Washington Post.

A Letter: What About My Friends?

By Elie Wiesel

DEAR Mr. General Secretary, This plea is for my friends Vladimir and Masha Slepak. They are kind, decent and kind people. Their fineness is contagious, as is their sense of humor. They are not enemies of the Soviet Union. Indeed, they are enemies of no one. All they want is to be reunited with their children. Is that too much to ask?

I have known Volodia for almost 17 years, since he first applied for an exit visa to Israel. Through his sons and friends, we have remained in constant touch. This was not always easy. Vladimir, you see, has been moving around somewhat. Arrested in 1978 for "hooliganism," he spent five years in Siberia. And so we could not get together when I came to Moscow in 1979. I looked for him, I asked everyone I met about his whereabouts. The answer was always the same: He is not here, he is away. That was all. But he knew I was in Moscow. He knew I asked about him. You will be surprised, Mr. General Secretary, how well informed some people are in your country.

Then last October, my wife and I saw the Slepaks. We spent every free moment with them. We laughed together and sang together. Yet, they are unhappy — and therefore so are we. Why don't you allow them to leave? I cannot believe that they are so important to you that you want them nearby. Let them go. You will not only make them and their sons and families happy; your friends all over the world will rejoice.

While I am in it, I would also like to plead on behalf of Ida Nudel. She too is a friend of mine, a dear friend. This marvelous, exceptional woman has suffered enough. Arrested in 1978 for "hooliganism," she spent four years of internal exile. She now lives in the Moldavian city of Bender and yearns to join her sister in Israel. What possible dangers could her departure present to the Soviet Union? Please, Mr. General Secretary, let her go; you will not regret it.

When I was in Moscow last October, I pleaded for Andrei Sakharov's return to Moscow. Surely you received similar pleas from many visitors. We could not understand why a humanist such as Dr. Sakharov should not be allowed to live among his friends, in familiar surroundings, in his home. We found his situation intolerable, and we said so. You were kind enough to listen. Now, Dr. Sakharov is back in Moscow. But what about our other friends?

What about Zakhar Zonshchik who is still in prison in Eilat-Bulgatski, in the Irkutsk region? We know his young wife, Taniya, who resides in Riga. Her loneliness is heartbreaking. She and her husband harbor no hostility toward their native country. Their only desire is to rebuild their home in Jerusalem. That is their only dream. Please let them have their dream. Mr. General Secretary.

Wait, I have other dreamers. Joseph Begun, a Hebrew teacher, is an extraordinary man of vision and courage. He should be teaching students; instead, he sits in Chistopol Prison. His wife, Ina, is so thin, so sad, she seems like her own shadow. Is teaching Hebrew such a serious crime that "offenders" should go to jail for a cruel 12-year separation?

Is practicing one's religion so grave an offense that it warrants three years in labor camp? Then why has Yuli Edelstein been sentenced to precisely such a prison term? Poor Tanya. Yes, that's his wife. She, too, is our friend — as are Victor Brailovskiy and Joseph Bernshtein, Vladimir Preshin and Aleksi Magarik, Leonid Volvovskiy and Alexander Khomovniatskiy, and 3,000 Jewish families, all reformists, whose only wish is to wish to live among people they love instead of among people they fear.

They are all our friends. That is why I address this plea to you on their behalf. And we, their friends in the West, shall continue pleading until they are all reunited with their families. Anything else would make us unworthy of their friendship and their brave and noble stubbornness.

Please, Mr. General Secretary, let them go — for their sake and ours.

The writer, winner of the 1987 Nobel Peace prize, is an author, lecturer and teacher. He contributed this comment to The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: A Hudsonmobile

TARRYTOWN, New York — Fred Koenig, who drove an automobile across the Hudson recently, was out on the ice again [on Jan. 16] with his machine, and travelled from Ossining to Irvington, racing trains. Mr. Koenig had a spirited race with an express from the Tarrytown station to Miss Helen M. Gould's dock, and all the passengers in the train eagerly watched the sport. He easily beat the train and was loudly cheered by the passengers. Mr. Koenig paid a visit to the keeper of the Tarrytown lighthouse and then drove up to Ossining, where he entertained the coverts in Sing Sing Prison with displays of speed. "Gee, what a getaway we could make with that!" called one of them. Mr. Koenig tried to cross to Redman where a tug lies aground, but he could not drive his automobile over the piles of broken ice.

1937: Moscow Trial Ends

MOSCOW — The Supreme Military Tribunal passed death sentences on 13 out of the 17 defendants in the treason trial [on Jan. 30]. Karl Radek and Gregory Sokolnikov were each sentenced to ten years' imprisonment. Those condemned to death will be executed within 48 hours. [On Jan. 29] Radek stood unrepentant, serious and nervous in the witness box making his last speech. "After I admitted treason to the fatherland the opportunity of making a speech in my own defense is excluded," Radek began. "No argument can be found to defend treason. I cannot find any extenuating circumstances. I cannot even say that Trotsky misled me. I was an adult. I followed Trotsky because I did not see any other group which I could join in its views. I joined in Trotskyism voluntarily and will take full responsibility for it."

OPINION

Haig as an '88 Hopeful: A Lot of Talk, and More

By George F. Will

WASHINGTON — Alexander Haig is an aerobic instructor for the English language, making it twist and stretch. He is the only U.S. presidential candidate who could accuse the State Department of "Cheshire-cating."

Haig's name recognition is high. Republicans are responsive, but it is hard to imagine him waxing eloquent about soybeans.

The State Department pursues its own agenda, which includes any obtainable arms control agreement. Mr. Haig worries (he is the "bad news bear" of American politics) that a dangerous agreement may be made to send palatable to cosmetic Soviet accommodation on Afghanistan and a trivial Soviet concession about SDI testing.

President Reagan, says Mr. Haig, is "utopian" but not foolish; he listens to advisers. But Mr. Haig thinks George Shultz and Paul Nitze are dangerously ardent for an agreement. He describes as "naive in the extreme" Mr. Reagan's idea of eliminating nuclear weapons.

"The discussion [at Leland] of a world devoid of nuclear weapons — and there was such a discussion despite the equivocation that followed the postmortem — may be the most serious misjudgment by a president since World War II," he has said. "We are only at the threshold of the consequences of some of the pie-in-the-sky rhetoric that emerged in the dialogue of the summit."

Mr. Haig said Mr. Reagan's optimism may be taking on "surrealistic overtones." He sees "fiscal flabbiness" in the president's reluctance to use the veto. Mr. Haig goes further than any prospective Republican presidential candidate in criticizing the president.

His confidence is grounded in experience: General MacArthur's headquarters in Tokyo; NATO's staff in the 1950s; Pentagon and Vietnam combat in the 1960s; deputy to Henry Kissinger and then chief of staff in the Nixon White House; five years as supreme allied commander in Europe; president of United Technologies; secretary of state.

Mr. Haig is a serious man with his mind on the most serious matters. However, as he tries to become only the fifth man to make the presidency his first elected office (the others: Grant, Taft, Hoover, Eisenhower), he faces the problem that his expertise is in foreign policy. Elections almost never turn on that, and it is hard to imagine Mr. Haig waxing eloquent about soybeans.

Furthermore, after examining the handbook of Vice Admiral John Poindexter and Lieutenant Colonel Oliver North, Americans are apt to be even more eager than usual to keep politics and the military in separate spheres. The last military man to seek the presidency, Dwight Eisenhower, was disarmingly civilian in his demeanor. Mr. Haig is not.



Soup Is Served

What TV Brought Home Was Not the War

By Henry Allen

WASHINGTON — People keep telling me, "You should see 'Platoon.'" They say, "I'd love to know what you think of it."

I was a marine in Vietnam. Every time there's a big new movie about Vietnam, people tell me I should go see it.

They tell me I should read novels, memoirs and magazine articles about Vietnam, too, and see the documentaries and television shows, and tell them what I think. They have been telling me this for 21 years ever since I got back.

"You really should read what The Times had to say about the Tet offensive," or "You should see 'The Deer Hunter,'" or "You should be watching this Vietnam series on ABC. I'd be curious to know what you think of it."

Why? My father was in World War II, but I don't remember anybody telling him that he really should see "The Sands of Iwo Jima" or read "Catch-22."

He was interested in the war — he loved "Mr. Roberts" and "Victory at Sea" — but I don't think anybody gave him lists of suggested reading the way they've given them to me for half my life.

It is often men who missed the war who do this. They are not looking for catharsis, tribute or memorial, like Vietnam veterans; they seem to be looking for reality, the war itself. Do they think they can find it in a movie?

Male or female, I'm talking about the crowd that got important from the middle 1960s to the middle 1970s — lawyers, college kids, journalists, academics, dinner-party hostlers.

They had enough clout to stay at one remove from reality and the draft board, and enough money to protect their privacy, which is an asset of any ruling class. They believed life is what you think and feel. They wanted to be hip.

They smoked marijuana even if it made them anxious. They saw a lot of movies and believed in the media. They were the people who come to mind when somebody says that art is the religion of the upper middle class.

I was among the first men back from Vietnam, so I assumed they would have lots of questions for me. They didn't. They would squint at me for a while, like physicists studying a stray decimal point in an equation. After a while, they would tell me about Vietnam — the books they had read, the columnists they favored, the movies they had seen.

"I was there in 1966," I'd say. "Have you read 'Going After Cacciato'?" they would say. "I'd be interested to know what you think of it."

I was no expert on Vietnam. I'd been a corporal on a pacification team in Chu Lai for three or four months before my enlistment ran out.

Days, we won the hearts and minds of the South Vietnamese people. Nights, we would catch a little carbine fire and the occasional grenade.

I supported the war because the best and the brightest said they thought we could win it. Later on I changed my mind when I saw they had been lying.

For the war or against it, these people who stayed at home meant well. Right after I got home, the curate from my parents' church stopped by to visit. He was fresh out of Yale Divinity School and very concerned about the war. He wanted to know how the guys in Vietnam "felt" about it.

"I don't understand," I said. "You know, when they talk about the war, what do they say?" "I don't understand," I said.

It turned out he wanted to know our moral positions on the war. I told him we had been too busy to have any. He could not grasp this. He seemed to have a picture of us debating ethics and geopolitics under the mortar flares.

Maybe he had gotten that idea from a book, like "The Making and the Making of the Making" or "The Making of the Making of the Making."

"Why not?" I asked him. "They meant well, I'm wondering if it was like this for blacks back when white liberals would start talking about reading James Baldwin, or going on a poverty-agency bus tour of a New York slum; back before the black-power movement

thought to sit down and shut up. "They meant well" is one of the worst things you can say about anybody.

The media coverage of Vietnam meant a lot to these people. They were concerned citizens. They told me that television was "bringing the war into America's living rooms." They wouldn't go to a foreign movie dubbed into English because it was not authentic, but they thought they could know what a war was like by watching television.

They told me that I should read the stories in this or that newspaper. They talked as if these stories made a huge difference. So I read them.

These were stories about how the ambassador contradicted himself in a press conference or navy jets screamed north for the ninth straight day. They were not about the war, they were about officers and politicians keeping their jobs, as far as I could see. This was sad.

If ever there was an enlisted man's war, it was Vietnam; but the media — with exceptions like Michael Herr and Jimmy Breslin — kept hanging around the officers. You get better quotes from officers, and mixed drinks with ice.

And the higher the officers get, the more their war is like something you can discuss during a dinner party — a theory, a movie of sorts.

Then the movies started coming out — "Apocalypse Now," "Coming Home," "The Deer Hunter." People said I should see them. They wanted to know what I thought, so I told them.

"But isn't it like Vietnam?" they would say. "How isn't it like Vietnam?" I would try to explain that it was just a movie, colored light on a screen.

It was not that these folks could not tell the difference between a war and a movie; they didn't want to. They went to movies they would like what they saw, they wanted me to tell them that art's truths were The Truth — the war itself. In their way, they wanted to be veterans, too. They had field jackets, marches.

One slogan said: "Bring the war home. This was as silly as saying that television put the war in America's living rooms; but as Kurt Vonnegut wrote in one of the most oft-quoted lines: "You are what you pretend to be."

Now we've got "Platoon." A young man who was in grade school when I was in Vietnam tells me it is "authentic." Time magazine published a cover story about it, and the headline said: "Vietnam as It Really Was."

This is silly and decadent, this willful confusion of life and art. And it is dangerous. War is too wildly stupid, glorious, hideous, huge and human for us to think that art can tell us what it really is.

War is a little like God — when we start thinking that we understand it, we are heading for trouble.

I'll probably see "Platoon," but I can tell people what I think already — that it's a movie. I hope it's a good one.

The writer is an editor of the Outlook section of The Washington Post.

LETTERS TO THE EDITOR

Soviet Past Says Otherwise

The opinion column by former Defense Secretary Robert S. McNamara, "Toward Nuclear Sanity: A Plan for Minimal Deterrence" (Jan. 24), shows the effect of divorcing defense and foreign policy prescriptions from any and all sense of Soviet history.

History tells us that communism was born as an alternative to Western capitalism, and that the Soviet regime defines itself in terms of competition with (and the historically ordained defeat of) capitalist nations. How likely is it that the Russians will give up, or even scale back the arms race — the only aspect of the competition in which they have proven to be the West's equals?

The way out of the arms impasse is not by dealing with symptoms, but with root causes — the totalitarian nature of the Soviet state and its resultant behavior at home and abroad. Until these are changed, there is no hope for arms control worthy of the name.

ANTHONY W. MORO, London.

War Is a Matter of Policy

Gideon Rafael's warning that Israel and Syria are heading for a war in which unconventional weapons will be used is misleading. ("Syria and Israel: Two Near the Brink of a New War," Jan. 12.)

The article neglects the real threat of war inherent in Israeli policy, which caused three Middle East wars (1948, 1967, 1973) and an Israeli invasion of Lebanon (1982). It also fails to touch on the cause of the explosive situation in the Middle East: Israel's refusal to implement United Nations General Assembly and Security Council resolutions to solve the conflict by peaceful means.

Jewish settlements on Arab land, Israel's annexation of Jerusalem and the

Travel Ban Goes Too Far

The U.S. State Department's decision to ban travel by Americans to Lebanon represents a curtailment of individual liberty reminiscent of totalitarian states. It would have been sufficient to announce that those U.S. citizens who travel to Lebanon do so at their own risk and have no recourse to eventual assistance from the U.S. government.

VERONICA MELVILLE, Nice, France.

How Antarctic Seasons Go

The caption under the Greenpeace photo in your Jan. 20 edition says, "The truck and other debris await the spring thaw to find a resting place in the Antarctic Ocean." Unless I am mistaken, it is the middle of summer in Antarctica.

MICHAEL STRATTON, Neuilly-sur-Seine, France.

Advertisement for Herald Tribune newspaper, featuring headlines like 'Opening for Talks Is Seen in Moscow' and 'Summit Leaders Vow to Push for an Economic Recovery'.

Large '2 for 1' promotional graphic with text: 'Worldwide subscription rates offer discounts of up to 50% off the newsstand price depending on country of residence. Miami printing makes the global newspaper available day-of-publication in the Americas — just as in Europe and Asia.'

Table of worldwide subscription rates for Herald Tribune, listing countries and prices for 1, 6, and 12 months.

DOONESBURY comic strip panels showing characters talking about money and work.

INTERNATIONAL CLASSIFIED advertisement containing various job listings, real estate offers, and business services.

Tambo Urges Shultz To Press West Over Sanctions on Pretoria

By David K. Shipler
New York Times Service

WASHINGTON — Oliver Tambo, the head of the African National Congress, has called on Secretary of State George P. Shultz to use U.S. influence to press other Western countries to impose economic sanctions on South Africa at least as strong as those enacted by Congress over President Ronald Reagan's veto.

Emerging from a 50-minute meeting with Mr. Shultz on Wednesday, Mr. Tambo said he had also urged a broadening of the American sanctions.

The meeting marked the first time any U.S. secretary of state had met with Mr. Tambo, whose organization is banned by the Pretoria authorities. The ANC is seeking black-majority rule in South Africa.

It also was an indication that the United States recognizes the organization as a central factor in the South African struggle and is willing to engage in discussions with it.

Although Mr. Shultz's stated purpose was to explore the possibility of an American role as a broker in the South African conflict, State Department officials acknowledged that the meeting was largely symbolic and, in part, an effort to defuse criticism of U.S. policy by black African leaders.

The State Department did not allow news photographers into the session, although an official State Department photographer took pictures. Charles E. Redman, the State Department spokesman, said that it was not customary for news photographers to be present during meetings that did not involve foreign ministers or other foreign officials. But it is not unusual for photographers to take pictures before or after such sessions.

Mr. Shultz held the meeting amid criticism from conservatives who have condemned the ANC as a pro-Soviet terrorist organization. The secretary addressed these two issues at the outset of the discussions, according to Mr. Redman. He said that Mr. Shultz had "laid out our concerns about the degree of Soviet influence in the ANC" and the group's use of violence.

Mr. Tambo, who makes his headquarters in Lusaka, Zambia, called it "a very serious and substantive meeting." Mr. Redman used the same characterization.

"We found there was a large area of agreement on the nature of the apartheid system, on the need to abolish it," Mr. Tambo said, "and we are considering together the ways of achieving this." He criticized the Reagan administration's "constructive engagement" policy, a code which Washington has sought to exert quiet pressure on

South Africa, as "unhelpful" in combating apartheid.

Mr. Redman emphasized the secretary's desire "to work with all of the parties, to bring them together so they can start talking." The South African authorities have refused to negotiate with the ANC.

The session with Mr. Shultz comes at a time when relations between Washington and Pretoria are at a low point and American influence with the South African government appears practically nonexistent.

In an unusual show of force, dozens of uniformed policemen were stationed in and around the diplomatic entrance to the State Department, and the adjoining street was closed to traffic along the full length of the building.

Mr. Shultz's decision to meet with Mr. Tambo drew strong criticism from the Conservative Caucus, which condemned the ANC for both its use of violence and its ties to the Soviet Union. Bob Dole of Kansas, the Republican leader in the Senate, said Tuesday that he feared that the session would be seen as showing approval for terrorism.

During his visit to Washington, Mr. Tambo endorsed the use of violence in the struggle against apartheid.

"Apartheid is inherently a practice of violence," he said Tuesday in a speech at Georgetown University. "We choose not to submit but to fight back, arms in hand. We have no alternative but to intensify our armed resistance because, as your Declaration of Independence says, in the face of systematic tyranny, it becomes a duty and a right to take up arms."

Foreign Minister R.F. Botha of South Africa said Thursday that Mr. Tambo's meeting with Mr. Shultz had inadvertently heightened American public awareness of the ANC's commitment to violence and ties to communism. The Washington Post reported from Cape Town.

Citing U.S. State Department expressions of concern about the ANC's use of violence and links to Moscow, Mr. Botha said the trip ironically could bolster South Africa's case for not negotiating with the black nationalist organization.

The foreign minister said in an interview, "It would have cost us millions in propaganda to show how the ANC is committed to violence and terrorism and has direct links with Moscow, and even then we would have not got the same results."

He added, "I think what is happening now is that at least some important segment of the American public is taking a look at this organization, and asking itself 'what does it stand for?'"

South African police are granted wide-ranging censorship powers, according to a report from Johannesburg. The government gave the commissioner of police wide-ranging censorship powers Thursday night, the South African Press Association reported.

The independent news agency quoted from a Government Gazette containing new emergency press restrictions issued in response to a Johannesburg Supreme Court ruling earlier in the day.

The court invalidated an earlier order by the police commissioner, Lieutenant General Johann P. Coetzee, saying he exceeded his authority by imposing a nationwide ban on newspaper reports and advertisements about outlawed organizations.

The agency quoted a media lawyer, Paul "Ekins, as saying that the new order makes it arguable whether press freedom still exists in South Africa.

The new powers were given to General Coetzee under stricter press restrictions issued Dec. 11.

The new regulations say: "The commissioner may, for the purpose of the safety of the public, the maintenance of public order or the termination of the state of emergency, and without prior notice to any person and without hearing any person... prohibit any publication, television recording, film recording or sound recording containing any news, comment, or advertisement on or in connection with any matter specified in the order to be published."

The new powers for the police commissioner are inserted into the regulations President Pieter W. Botha issued in December, which themselves severely restricted or banned reporting on unrest, security force actions, treatment of detainees, most forms of peaceful protest and a broad range of statements the government considers subversive.

Those December orders are the subject of a challenge in the Pietermaritzburg Supreme Court in Natal province.

The ANC is the largest group fighting to overthrow the white-dominated government.

Election Date Expected

President Pieter W. Botha is to announce a date for a general election for the ruling white minority Friday, when he opens the country's segregated three-chamber Parliament, the government announced Thursday, Agence-France Presse reported from Cape Town.

White Liberal Convicted

A white South African liberal whose family have become heroes in black townships was convicted Thursday of arson and fraud, Reuters reported from Port Elizabeth, South Africa.

Valence Watson, 34, fighting allegations that he started the fire in 1985 as an insurance fraud, told a Port Elizabeth court last week he believed his home had been bombed by a right-wing group. His brothers Daniel and Ronald were acquitted Thursday.

The case has divided the eastern Cape community, where the Watsons created a sensation in the early 1970s by leaving a white rugby team to join a black squad.



Black supporters cheered Ronald Watson on Thursday after he was acquitted of arson in a trial that split the city of Port Elizabeth, South Africa. His brother Valence was convicted.

South African Police Are Granted Wide-Ranging Censorship Powers

The Associated Press

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The press association reported that the new regulations also appear to broaden the definition of a subversive statement to include taking part in activities or supporting the "campaigns, projects, programs or actions of violence or resistance" against the authority of the state by an unlawful organization.

State-controlled television had earlier said two new Government Gazettes were being prepared in response to the ruling by Supreme Court Justice H. Daniels that General Coetzee exceeded his authority

MANILA: Siege Is Ended

(Continued from Page 1)

civilian authorities told the military to end rebel occupation of the television station by midnight Wednesday.

After repeated attempts at persuasion failed, General Ramos authorized use of tear gas late Wednesday to try to flush out the rebels. But after talking with the group of about 70 officers, who held the rank of colonel and below, he ordered a halt to the tear gas.

Lieutenant Colonel Victor G. Batac insisted that his group, which he said was representative of the officer corps, had "conveyed our sentiments that the matter should not be settled by violence."

He said if government troops attacked fellow soldiers "it might tear apart the armed forces some more."

Colonel Batac said he thought General Ramos "responded to our position very positively."

Analysts said the authority of General Ramos, who is regarded as Mrs. Aquino's most important ally in the military establishment, had been shaken by the officers' intervention.

They noted that about a dozen of the officers were members of a reformist group accused by the authorities in October and November of plotting a coup.

Juan Ponce Enrile, who joined General Ramos in the military uprising that helped bring Mrs. Aquino to power last February, is closely associated with some of these officers.

Mr. Enrile was dismissed by Mrs. Aquino in November as defense minister in the midst of rumors about an imminent coup that both he and the reformists denied.

The analysts said General Ramos' authority had also been challenged by the refusal of Colonel Oscar Canlas, leader of the mutineers in the television station, to obey an order to evacuate the building in a face-to-face meeting between the two men Wednesday.

Colonel Canlas, an air force intelligence officer, finally declared an end to the occupation of the television station and he attended a press conference with General Ramos, other senior officers and government representatives at the Ministry of National Defense on Thursday.

Some of Colonel Canlas' troops stood in a line behind the senior officers with their rifles held across their chests.

MARCOS: Plan to Return Blocked

(Continued from Page 1)

ing to wear them "upon her return to the country."

Vice President Salvador H. Laurel said in a radio interview that Mr. Marcos had planned to return on a Boeing 707 chartered by a Lebanese friend from a Miami company called Pan Aviation.

Mr. Laurel said the U.S. State Department and the Philippine consulate general in Hawaii were closely monitoring Mr. Marcos' movements.

Horacio Paredes, press officer of the consulate, said the chartered plane was to have been flown by American mercenaries who backed out after news of the plan leaked.

Mr. Marcos spoke at a press conference Wednesday night after two U.S. officials visited him at his rented Honolulu estate. He said he was prepared to do "everything possible, even at the risk of my life, to reach the Philippines."

The Philippine consul general in Honolulu, Tomas Gomez, said he had warned Manila and Washington that Mr. Marcos might be about to leave Hawaii.

Mr. Marcos said he had encouraged his people "to keep fighting for liberty and democracy," apparently referring to outbreaks of resistance by Marcos supporters in the Philippines.

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BONN: Low-Key Hostage Reaction

(Continued from Page 1)

many years in the United States, said the subdued reaction of his compatriots reflected "a certain coldness, a certain lack of compassion in this society."

He added: "If you know America and what sometimes looked like close to hysteria there, it is really remarkable."

"This national revulsion against some little upstart country doing something to us — we don't have that," Mr. Friedrichs added. "The big Americans say, 'How dare they do this to us?' But the Germans aren't big, and a lot of people dare do things to Germans."

Elisabeth Noelle-Neumann, the head of the Allensbach polling organization, said a weak sense of national identity made it difficult for West Germans to express great compassion for Mr. Cordes, an executive of Hoechst, or the other hostage, Alfred Schmidt, a technician for Siemens who was installing machinery at a Beirut hospital.

"Most people don't think of them as Germans, but just as a representative of Hoechst and a representative of Siemens," Ms. Noelle-Neumann said. "It is an interesting result of our weak national identity."

Apparently, many West Germans are aware that Bonn has long experience in similar matters. For years, West Germany has secretly purchased the freedom of East German political prisoners and members of Romania's vanishing German-speaking minority.

Until the kidnapping of Mr. Cordes and Mr. Schmidt, West Germans had enjoyed a relative immunity in the chaos of Lebanon's civil war, and in the Middle East it is not unusual for German business representatives to display a certain insouciance in the face of danger. It is a national tradition to defend markets tenaciously.

Dieter Rath, an official at the Association of German Industry, recalled the reactions of West Germans working in Libya at the time of the U.S. raids in April.

"From a distance we could only express our fears and urge them to come home," he said, "but we found that a lot of the people there said no, they were going to stay."

Hijacker Identity Doubt

Friends of Mohammed Ali Hamadeh have said that he may not be the terrorist sought by the United States for the 1985 TWA hijacking. United Press International reported Thursday from Bonn.

West German friends and acquaintances of the suspect and his brother, Ali Abbas Hamadeh, 28, said in television interviews that neither Hamadeh brother was the terrorist photographed at Beirut International Airport during the hijacking.

A Lebanese friend of Mohammed Ali Hamadeh, 22, also told West German police Thursday he did not recognize the terrorist leaning out of the cockpit of the TWA Boeing 727 in photographic evidence circulated by U.S. authorities, the West German news agency DPA reported.

COMPETE: U.S. Worried About Lagging Productivity

(Continued from Page 1)

some of organized labor, it means government spending to help ailing industries survive. For some big businesses, it means tax reductions and government subsidies to help them vie for world markets.

But there is an economic basis for studying the problem, and that is the concept of competitiveness.

Productivity is the measure of what a nation produces in relation to the effort that goes into the production. The more production a nation obtains for its effort, the more goods and services its workers can buy to improve their living standards.

In manufacturing, year after year, the United States has been losing the productivity advantage over other countries. Its ability to produce goods has been gaining more slowly than that of many other major nations.

Economists dispute whether the country is also losing its productivity edge in the services that now far outweigh manufacturing in the U.S. economy. But no one has developed a reliable way to compare nations' productivity in services.

Economists construct a scale for international comparisons that gives American productivity a value of 100. Between 1980 and 1985, this figure did not change. But for Canada it rose from 100 to 102, for Japan from 68 to 75, for Germany from 89 to 93, for Britain from 71 to 76 and for France from 91 to 93. While the United States stood still,

in other words, most other countries gained.

Joseph W. Dusen, economist for Dun & Bradstreet, says some of the apparent lag reflects the failure of American industry to enter growing new markets, such as video recorders, compact disk players and some types of semiconductor.

But many very big American industries, he said, have become hotly competitive. In the early 1980s, when the dollar was soaring, pushing up the foreign prices of their goods, those industries chopped costs and excess.

"The reality is that much of our manufacturing plant is probably more competitive than it has been in 20 years," he said.

"In my view, half or more of the problem is due to price trends," said William D. Nordhaus, an economist and the provost of Yale. Some, too, he said, results from the slow growth of many developing economies, which limits their ability to buy American-made goods. "And then maybe a bit is due to trends in competitiveness."

But to the administration, competitiveness is the main problem.

"My contention," said one of the administration's senior economic policy makers, who declined to be named, "is if you look at these numbers, you see a long-term post-war secular trend of a society that is just not making out in terms of productivity."

EUROPEAN TOPICS



THREE-DOG FLIGHT — Muzzled and muffled Afghans charging across a frozen lake at the Swiss resort town of Arosa, in what was billed as the first race by that breed.

Dutch Chemists List Mercy-Killing Drugs

The Royal Dutch Pharmacists' Association plans to issue a list of drugs suitable for use in the mercy-killing of terminally ill patients.

The list is meant to help the group's 1,700 members advise doctors on what drugs to use for quick and painless death. The Dutch Health Ministry said that issuing such a list was not against the law.

Although euthanasia is illegal in the Netherlands, doctors admit to helping more than 5,000 suffering patients die each year.

Despite a maximum 12-year prison term, courts usually give suspended sentences to doctors who have been convicted of performing euthanasia when it has been done at a patient's request and after consulting the patient's family and other doctors.

Many physicians have called for a code that would set legal standards for mercy-killing.

Two weeks ago, the Dutch government said it did not intend to legalize "active" euthanasia in which lethal drugs are used to cause death.

But the government said it would set legal guidelines for exceptions to the ban, as well as permit "passive euthanasia" — allowing doctors to withhold life-prolonging measures for the terminally ill.

Around Europe

Turkey will allow individual citizens to lodge complaints with the European Human Rights Commission, an investigative body of the 21-nation Council of Europe.

The decision was announced days before Turkey took over the one-year presidency this week of the Parliamentary Assembly of the Council of Europe. Last year, five West European countries dropped a complaint against Turkey with the commission, which is based in Strasbourg, France, after Ankara promised to improve human rights conditions. Malta and Cyprus are now the only member nations that do not permit individual complaints to the commission. A government spokesman said Turkey also hoped to lift martial law this year in five southeastern provinces despite ongoing clashes there between the army and Kurdish separatists.

Italy's Constitutional Court has ruled that men can take paternity leave from work in certain cases after the birth of their children. Fathers who are widowers or whose wives are seriously ill may take three months leave at 80 percent of their salaries to take care of infants. And they may take a further six months unpaid leave, with a guarantee of retaining their job, after the first three months. In most West European countries, paid paternity leave amounts to less than

one week. But in Sweden, either parent can take up to a year's leave, the first seven months at 90 percent of salary and the remaining three at a daily allowance of 60 kroner (\$9.20). The leave may also be taken up in shorter periods stretched out over the child's first four years.

The Belgian government is preparing a bill that would ban smoking from public places such as theaters, schools, government offices and waiting rooms as of February 1988. The bill is expected to go to the legislature within the next few months. Official figures show that the number of smokers over age 24 among Belgium's population of 10 million has declined from 40 percent in 1982 to 35 percent today.

The British flea is almost extinct, the British daily The Independent reports. Its place has been taken by the cat flea, which is "not really British," according to Dr. John Mander, a Cambridge entomologist, because "like the cat it comes from the Middle East." The cat flea has become the commonest flea, even on dogs. True human fleas and dog fleas thrive only in cool, damp conditions. Dr. Mander said, but the cat flea loves modern comfort, like central heating. However, it dislikes human blood and dines on people only if starving.

—SYTSKE LOOLFEN

BUSH: Iran Sale Called 'Debatable'

(Continued from Page 1)

report is "based upon a more complete data base" than an earlier draft, but he added: "It's still very preliminary in nature."

The select panel's Democratic chairman, Daniel K. Inouye of Hawaii, echoed that view, saying the report "does not reach any conclusion, and I think appropriately so," and calling it "incomplete."

The earlier version of its report was delayed by Democrats who charged it was incomplete.

Republican lawmakers and the White House wanted the original report on because it cleared Mr. Reagan of knowledge of the covert operation.

In the television interview, Mr. Bush said of the Iran effort: "I think history has to prove whether it's wrong. I think it is debatable, and I think on the surface, you can make the case that it's wrong."

However, he added, "Having said that, when you look at the whole policy and look at Iran's geographic standing and look at the problems facing them, if a small shipment establishes contact with moderate elements and if it results down the line in a solution to the Iran-Iraq war," then "I think we could argue that it was right."

"On the surface," Mr. Bush said, "selling arms to a country that state-sponsors terrorism, of course, clearly, you'd have to argue it's wrong, but it's the exception, sometimes that proves the rule."

Panel to Release Report

The Senate select committee investigating the Iran-contra affair voted Thursday to approve the release of the most detailed report to date on the matter, United Press International reported.

Earlier Thursday, the Senate Intelligence Committee voted, 14-1, to approve a final report in its investigation into the secret U.S. arms sales to Iran and the diversion of profits to benefit the Nicaraguan insurgents.

The intelligence panel also recommended that the select committee, now in charge of the investigation in the Senate, allow the report to be released.

Senator David L. Boren, an Oklahoma Democrat, the intelligence panel chairman, said the new

Christian Lacroix Takes Off Like a Rocket

By Hebe Dorsey
International Herald Tribune

PARIS — It's been an unusually good season for Paris couture. Christian Lacroix, at Patou's, took off like a rocket, showing that once more, fashion leadership comes

and it changes the silhouette. It's also very summery.

With excitement mounting in Paris, fashion leaders such as Marie-Hélène de Rothschild, Hélène David-Weill and Hélène Rochas, went to Patou's for the first time and reportedly loved it.

Hélène de Givency had all his faithful American clients in the first row on Thursday. For them, he had suits, suits and more suits, always precisely elegant. While Givency won't rock any fashion boats, he keeps on delivering impeccable clothes to a privileged private clientele. With a long experience, he knows exactly what they

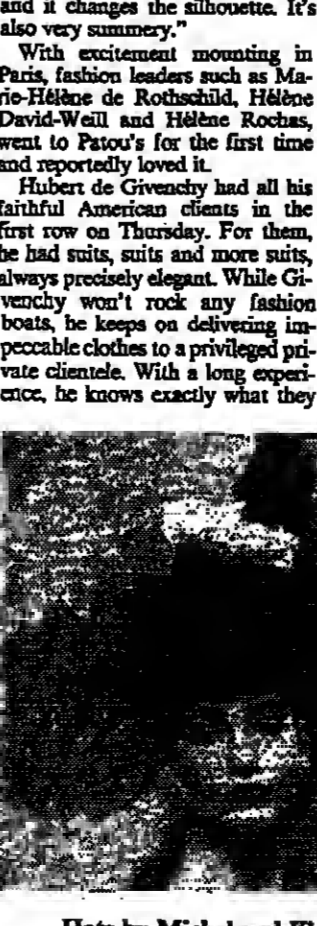
want — suits, soft dresses and lovely evening wear.

His choice of suits was amazing, with short jackets softly pinched in at the waist over short slim skirts. This was a much younger and more flattering collection, with no long jackets and virtually no pants. The few pantsuits Givency showed were made of printed silks and lambs and just the thing to wear when entertaining around a pool.

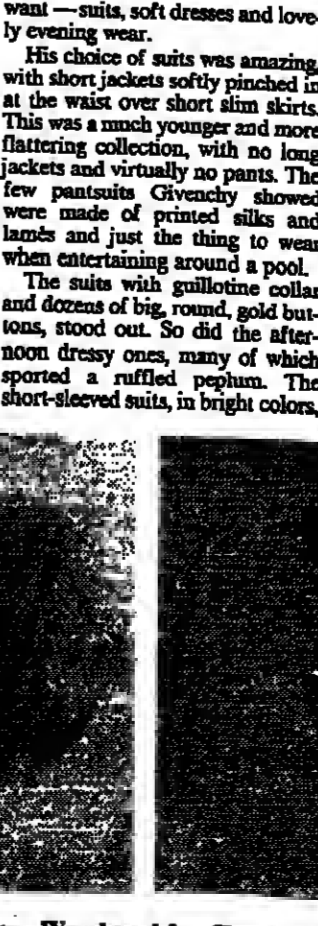
The suits with guillotine collar and dozens of big, round, gold buttons, stood out. So did the afternoon dressy ones, many of which sported a ruffled papium. The short-sleeved suits, in bright colors,

such as a strong blue, were particularly summery.

This was a refined collection with a return to the long evening coat and long gloves matching evening dresses. Big platter hats were often in the same print as the suits, and all the way through the collection the models carried crisp white gloves. Elaborate jewelry included thick gold chokers with matching bracelets and earrings. Givency showed crisp lines, shantungs and striped gabardines for daytime, cheerful prints for silk cocktail dresses, and lace or embroidery for big evening gowns.



Hats by Michel and Kirsten Woodward for Chanel, some of the Paris chapeaux.



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TRAVEL

- Thai Paradise
- Nicaraguan Statues
- Smells in Singapore

International Herald Tribune

TRAVELER'S CHOICE

The great fungus hunt

Along a trail winding from Auckland to Christchurch to Te Anau and beyond, a party will pursue the mushroom during April and May, in a study tour of New Zealand, Tasmania and Australia for people wishing to expand their knowledge of wild mushrooms. Led by Gary Lincoln, president of the North American Mycological Association and author of the "Audubon Field Guide to North American Mushrooms," and by David Aurora, who teaches mycology at the University of California at Santa Cruz and is the author of "Mushrooms Demystified," the tour will emphasize the identification of edible and poisonous species. Based on double occupancy, the "Down Under Mushroom Study Tour," scheduled to leave Los Angeles April 17 and return May 6, is priced at \$3,485 a person. Additional mushroom study tours are scheduled for Alaska from Aug. 1 to 16 and for India from Nov. 4 to 21. More information and a brochure are available from Fungophile (Post Office Box 5503, Denver, Colorado, 80217; tel: 303/296-9359).

The 'Great Migration'

Between 1915 and 1950 hundreds of thousands of American blacks, seeking a better life, left the rural South and journeyed to the urban areas of the North. This movement, called the Great Migration, changed not only the lives of its participants but also the structure of American society. The migration, producing predominantly black urban enclaves, is the subject of an exhibition opening Feb. 5 at the Smithsonian Institution's National Museum of American History. Titled "Field to Factory: Afro-American Migration, 1915-1940," the show's three sections treat life in the South, the journey north and the new Northern urban world. The exhibition is scheduled to run at the National Museum of American History through February 1988, when it will begin a tour. The museum is open from 10 A.M. to 5:30 P.M. daily, except Christmas. Admission is free. More information is available from the National Museum of American History (14th Street and Constitution Avenue, N.W., Washington, D.C. 20560; tel: 202/357-2700).

Secrets of Singapore

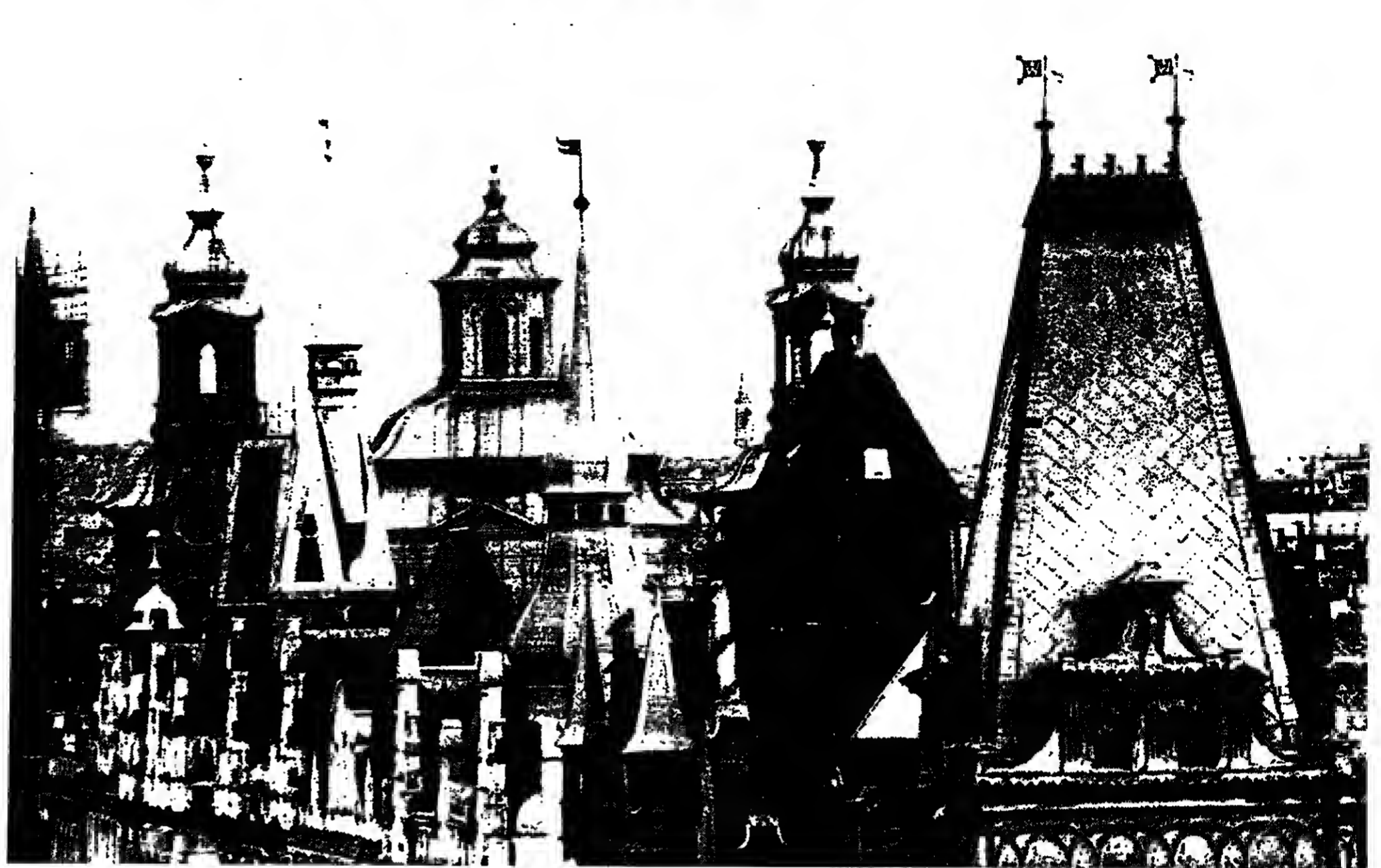


Rosalind Mow, a Singaporean distressed at her city-state's sterile image among travelers looking for an older Asia, got together with Anne Ropin and Elyane Hunt, two French experts in Oriental art, who shared her fascination with backstreets and hidden corners. Together they have produced one of Asia's most original guides: "The Secret Map of Singapore." The set of maps, hand-lettered and illustrated by Ropin's husband,

Michel, can point you to the last Malay kampung, a village built over the sea on stilts; to hand-carved bird-cage accessories off Serangoon Road in Little India; and to Arabic perfumes made without alcohol for Moslem women. "Normally tourists just go to a couple of basket shops and fabric stores in Arab Street," Mow said, referring to a Malay-Moslem quarter. "Most do just Arab Street itself, but Arab Street is a neighborhood," she said, adding: "We wanted to show them the outside, the inside and the in-between." The guide, which includes restaurants and foodstalls, costs about \$2.50. It is sold at Select Books, on the third floor of the Tanglin Shopping Center on Tanglin Road, and at other bookshops.

An airline for nuts

Swissair, known in the airline industry for the quality of its in-flight food, faced a crucial culinary decision the other day: to sprinkle sliced almonds over its curried shrimp entrée or to leave it plain. "Go with the almonds," said Matthias Hefli, a Swissair catering supervisor, after pondering the two steaming options for several moments. "Almonds go with seafood, and besides they'll keep the curry sauce from sticking to the aluminum-foil cover." While most airlines regularly change their in-flight menus to keep frequent fliers happy, attention to such practical and palatable detail as nuts or no nuts is becoming rare as more carriers cut costs. Swissair, which measures itself against other airlines noted for their cuisine, has testers fly other carriers, including Lufthansa German Airlines, Singapore Airlines, the Scandinavian Airlines System and KLM Royal Dutch Airlines.



Musical Steps Through Prague

by William Weaver

PRAGUE—An art museum may sound like a strange place to begin a musical tour, but for the visitor to Prague who is interested in Czech music, the Gallery of 19th-Century Czech Art is a striking introduction. The museum, part of the National Gallery, is imaginatively housed in the former Convent of the Blessed Agnes, a vast and magnificent 13th-century complex, the largest and oldest Gothic monument in the city, still being restored, rescued after centuries of neglect.

Two wings are now open; in the intelligently installed collection you can see any number of big canvases reflecting the last century's nationalist passion for Czech history: the legendary Queen Libuse stands on Vysehrad Hill, prophesying the glory of Prague; the Amazon-like Sarka, and Premysl, the farmer-king; and, closer to modern times, Jan Hus, the 15th-century religious martyr. All these characters inspired the operas and some poems of Czech composers, from Smetana and Dvorak to the later Fibich and Janacek.

Many of these works were written to be performed at the Narodni Divadlo, the National Theater, which was first inaugurated in 1881, then destroyed a few weeks later by fire, then definitively inaugurated in 1883. Unlike most European opera houses, which were built at the command (and expense) of kings and dukes, the Narodni was financed by popular subscription, and was meant to be the expression and the emblem of the Czech nation, which then existed only as a subservient, restless element in the patchwork of the Austrian Empire. All the leading painters and sculptors of the nation made their contribution, and in the 19th-Century Art Gallery, you can see the sketches they made for the frescoes, the painted curtain,

the sculptures that now adorn the lovely opera house.

Few theaters, for me, are as moving to attend as the Narodni Divadlo. "Narod sobe" says the inscription over the proscenium arch: the nation, to itself. What a gift. And the people, the audience, really do have a proprietary air. They dress formally, and they behave soberly; the popular drink at the bar is fruit juice. And they are proudly cordial toward foreign guests. (For an extra couple of crowns you can buy an English-language program from the maternal, smiling ushers.)

Though the Narodni performs the international operatic repertory, it also schedules, rightly, a long list of Czech operas. Virtually the entire Smetana canon is given every year, in addition to the most important works of Dvorak, Janacek, Fibich, their less well-known contemporaries (Novak, Kovarovic), and living musicians like Jiri Pauer and Jan Hanus. Foreign guest singers are a rarity; and since every major city in Czechoslovakia has at least one opera house (Prague has three), the supply of native singers is smaller than the demand. Veterans tend to go on working longer than advisable, and promising young artists are kept too busy. (I heard one gifted tenor four times in six nights.) Casting is uneven, as a result; but it is unusual to hear a dull performance. If nothing else, the orchestra can be relied on to play beautifully, and the chorus—especially in Smetana—is full-voiced and rousing.

Nowadays the National Theater is an umbrella term covering two other halls. One of these is the new chamber theater, the Nova Scena, a glass-sheathed cube on a newly created plaza next to the old opera house. The plaza also comprises a new administration building and a restaurant building, where you can get a good meal and excellent beer after the performance. Originally planned as a conference center,



A room in the Dvorak Museum.

the Nova Scena was drastically reconceived after building had already begun. Most of my Prague friends thoroughly dislike it. In a city with few modern public buildings, it does come as something of a

shock. But then most of my Prague friends have never seen the interior; the seating capacity is small—a couple of hundred—and every performance is sold out immediately. The foyer, with its walls of green

marble from Cuba, is bright and welcoming; the leather seats—worthy, indeed, of a board of directors' conference table—are seductively comfortable; and the acoustics are excellent. Designed by the renowned Josef Svoboda, the hall is extremely versatile. I saw there a children's opera by Pauer, "The Talkative Snail," which, in the fashion of Svoboda's Laterna Magika, combined film and mime, taped music and live actors. The children loved it, and so did we few adults present.

The Nova Scena divides its time between spoken theater and opera, mostly new and experimental opera. But the Narodni also administers the handsome Smetana Theater. Originally known as the German Theater, this house opened in 1888 (perhaps the German community's response to the Czech (National) Theater, then five years old). Mahler conducted there, and Alexander Zemlinsky was its chief conductor from 1911 to 1927. (In 1924 he conducted the world premiere of his brother-in-law Arnold Schoenberg's "Erwartung" in this house.) Like the Narodni, the Smetana has recently been restored, with tact and respect. Its golden decorations glow against its white walls, the red plush is warm and welcoming, and so are the larger-than-life-size caryatid ladies, who might have stepped off the label of a bottle of White Rock.

The oldest, most distinguished opera house in Prague is the Tyl Theater, originally known as the Nostitz or the Estates Theater. This is the house for which Mozart wrote "Don Giovanni" and "La Clemenza di Tito," and where he attended with delight the enthusiastically successful Prague performances of his "Nozze di Figaro." Also under the Narodni's direction, the Tyl is currently closed, bricked up and undergoing restoration. It will reopen in 1991, for the Mozart bicentenary year.

Continued on page 8

RESTAURANTS

Savouring the Memory of Maurice Brun

MARSEILLE—Envision an authentic Provençal meal. It would be based on fruity olives and this season's oil, with fresh Mediterranean fish, perhaps a well-seasoned beef daube, with tomatoes and artichokes weaving their way into the meal. There must be goat cheese (preferably a young, fresh chèvre fragrant with herbs) and for dessert

PATRICIA WELLS

pillows of white nougat bursting with chunks of grilled almonds, candied fruits, and pale green pistachios. For wine, a dry white Cassis, full of finesse; a sturdy red Bando, rich with the mourvèdre grape, and with dessert a glass of sweet, muscat-fragrant Beauséne-de-Venise.

This is basically the meal that has been served, lunch and dinner, since 1936 Chez Maurice Brun, a cozy family-run restaurant with the atmosphere of a rustic Provençal museum overlooking the Vieux Port.

Would that every region of France could boast such a local treasure. It all began, as Thérèse Brun tells it, when her late husband, Maurice, decided to create a restaurant that would resemble a private home. He hoped, would that come here not simply to that people would come here to celebrate a fine, but to celebrate, and so he designed a typically Provençal family feast. The makeup of the meal would not change from season to season or year to year, and the single

dining room would hold no more than two dozen people.

The ritual has continued for more than 50 years, as Maurice Brun's homage to his native gastronomy lives on. In the early days, the author and playwright Marcel Pagnol was a regular guest. Then, diners sat overlooking the port as boats trailed in from Spain laden with oranges and sardine boats filled the harbor three times a day, ensuring the Marseillais a fresh catch for every meal.

Maurice Brun's menu—still served by Madame Brun and her son Frédéric in the same honey, spotless, plant- and antique-filled dining room—has aged remarkably well with time, and even those well-versed in the cooking of Provence are likely to pick up a tip or two. It begins with a glass of sparkling Clairette de Die, served with the procession of superbly fresh hors d'oeuvres, including first-of-season cured black olives, thin slices of generously seasoned samicsson d'Arles, delicate timbales of jellied boeuf en daube, as well as tiny rounds of baguette spread with *putergue*, deliciously pungent and salty mullet roe blended with olive oil.

There is, of course, *tapenade*. Madame Brun's version is not the typically thick, spreadable paste, but a chunky, hand-chopped affair, combining some of the best Provençal black olives (from the cooperative in Marseanne-les-Alpilles), capers, anchovies, thyme, rum and oil.

"Eat it with your fork," she advises, "and don't eat too much bread or you'll never

make it to the end of the meal." No questions asked, diners quickly learn to follow her motherly advice.

Perhaps my favorite discovery here is Maurice Brun's *huile d'olive gelée*—exquisitely fruity olive oil chilled to a jelly, then spread like butter on slice of baguette. As the oil melts, it emits a pungent and fruity fragrance, and once you have sampled it you'll be sure to fill your freezer with tiny crocks of oil, and consider renouncing butter.

Two warm appetizers include a fragrant *quichet aux anchois* (a warm blend of oil, anchovies and vinegar spread on toast) and a strong, full-flavored Mediterranean speciality, *potirons aux pommes d'amour*, slivers of octopus that have been cooked for hours in a blend of tomatoes and olive oil.

As guests feast and chat, even wander about the room to examine books on a shelf, to admire an inscribed portrait of Provence's favorite son, Frédéric Mistral, Madame Brun places the day's poultry—generally *galline fowls* or free-range chicken—on the spit to roast over the open wood fire.

Next, there is fish, and the variety depends upon what looked best at the market on the nearby Quai des Belges that day. There might be small daurade, sarg or pageot, all Mediterranean fish of the sea bream family; or perhaps loep (sea bass), sole or tiny rouget (red mullet). The fish will be simply grilled, then filleted and served on one of the house's

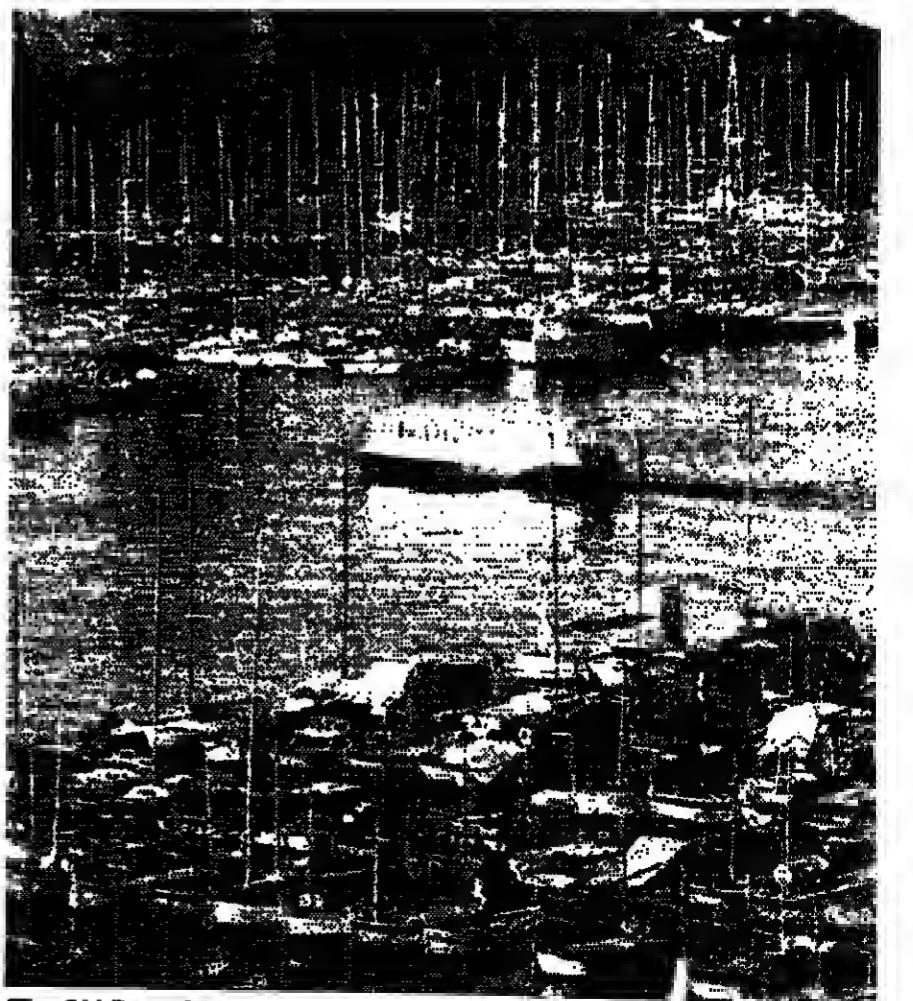
collection of decorative ochre-hued plates. No salt, no seasoning, no sauce. Everyone, at least once, should be able to sample fish this fresh, this simply prepared, fish that releases the briny essence of the sea. With the fish, Mrs. Brun pours this year's Cassis, a vibrant dry white from the Domaine du Paternel.

As aromas of freshly grilled poultry fill the red-tiled dining room, diners feast on two giant, perfectly turned fresh artichokes, *artichauts béringouls*, cooked to a buttery smoothness with mushrooms, olive oil and a touch of sea salt. The poultry follows, seasoned only by nature, and the red Bando flows according to the measure of each diner.

Later, there is a tossed green salad, then smooth, white discs of the freshest young Banoon, a rare regional goat's milk cheese, so fragrant it explodes on the palate with woody flavors of wild rosemary and thyme.

Be warned that this gastronomic education takes some time; set aside a good three hours to wend your way through the Provençal feast.

Maurice Brun (Aux Mets de Provence), 18 Quai de Rive-Neuve, second floor, 13007 Marseille, tel: 91.33.35.38. Open by reservation only. Closed Sunday, Monday and holidays. Credit card: Diners Club. A single, 330-franc menu, including wine and service. Bouillabaisse, the Mediterranean fish and shellfish soup, can be ordered in advance for groups of six or more.



The Old Port of Marseille.

TRAVEL

THE FREQUENT TRAVELER

In London, Consider A Personal Driver-Guide

by Roger Collis

HEATHROW on a cold wet evening. You're slightly bent out of shape after flying sardine class from Paris. And it's been a hard day's work. But today is Friday so you can relax. And Simon is there to meet you with the Rolls. You sink into this luxurious cocoon and unwind with a glass of champagne while Simon fills you in on what's new. He buys you a drink at the hotel and you spend an hour or so discussing how to make the most of your weekend visit. Tomorrow, you want to do some shopping, maybe check out that new Italian restaurant and catch a show. No problem, Simon will make reservations and pick you up at nine.

Welcome to Friends in London Ltd., a meet-and-greet service formed by Simon Anderson, a young New Zealander, in 1984. "When I was living in Los Angeles, I had 380 visitors in three years. I had so

business. Sometimes a friendly one-on-one service isn't appropriate, so I have to make clear in advance that I'm not a chauffeur. My style is to relate as an equal to my clients." Every driver-guide service depends on personal style and chemistry. But the idea of hiring an informal travel "consultant" is especially well developed in Britain. According to Catherine Althaus, a spokeswoman at The British Tourist Authority in London, it was Fred Pearson of London-based Take-A-Guide Ltd. who "fathered the whole concept of personalized, meet-and-greet driver-guides 25 years ago as an Oxford undergraduate with a Rolls and a bowler hat. Then there's Katie Lucas, who runs the Grosvenor Guide Service, who does a similar kind of thing, except perhaps more personal; for example, she can get the queen's coachman to give you a tour of the Royal Mews. They both use personal driver-guides — not chauffeurs but young, attractive people, mostly graduates.

"We cater for mainly U.S. visitors, providing them with whatever they want, a car from a Ford Cortina to a stretched Mercedes 600 and a young, enthusiastic, intelligent, entertaining guide, who is qualified by the tourist board," said Fred Pearson. "The business traveler is keen to have an attractive girl to take him around. If he's with his wife, she will take her off to shop while he does his meetings. Vary often they'll come in on Friday or Saturday and then carry on to the Cotswolds. Bath, Stonehenge, get updated on places to take business contacts on to lunch."

Take-A-Guide has about 100 guides, 30 to 35 in London and the rest in Paris. A typical charge for an airport pickup is £38 from Heathrow and £98 from Gatwick. This includes a daily paper, a rundown of what's on in London and a guided tour to the hotel. Half-day sightseeing in London costs about £69 and £28 for a full day.

Katie Lucas employs 16 "hand-picked" guides and specializes in visits to the sort of places that are not open to the public. "I try very hard to get the right guide for the right person. Most guides have a special interest. I have two art historians and one who is married to a well-known art dealer. Most people want women, but I do have some men. I've just had a call from Maryland, a couple who are interested in horses and carns. So I've just been speaking to a guide who knows a great deal about horses and dogs and the tour I have organized will encompass these interests. I've done visits to the Houses of Parliament, including the Members' Bar, although that's getting more difficult because of security, and following the trail of Henry Tudor, starting at Pembroke Castle, where he was born, and ending up at Bosworth Field with a jousting session and a medieval banquet.

Grosvenor Guides charges by the day and distance. A Heathrow pickup is £40, a day around London £120, and a day trip to Bath £190. Touring costs £175 a day plus a £35 overnight allowance for the guide.

British Tours Ltd., which was formed in 1958, claims to be the oldest and largest firm offering personal driver-guides. According to the general manager, Maggie Rogers, 50 to 60 guides conducted around 8,000 tours last year. These ranged from a three-hour "Introduction to London" to a six-day tour of the Scottish Highlands. Rates vary from £90 to £240 per day.

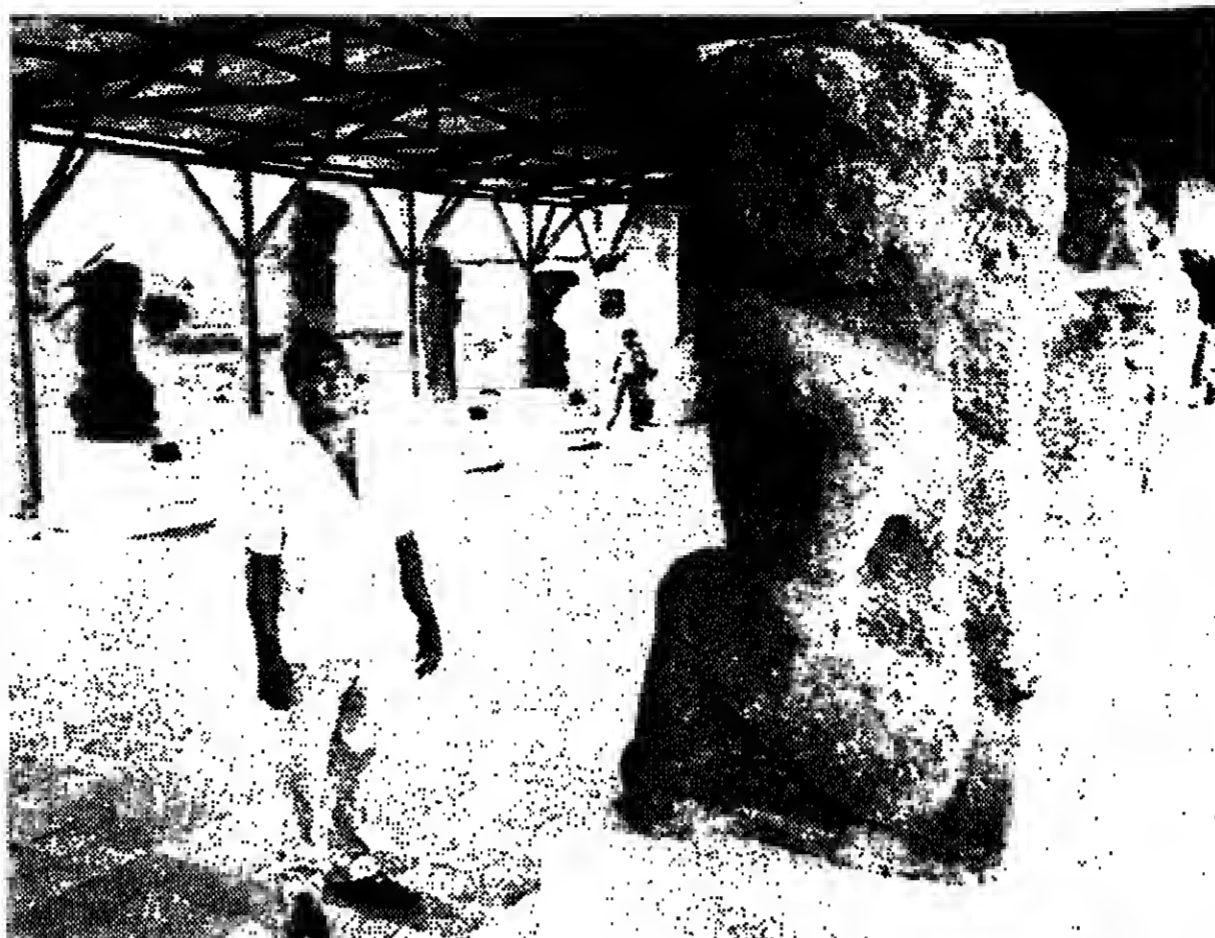
'What a friend will do, that's the concept'

much fun showing them around that I thought, here's a way of combining what I enjoy doing with living in London and getting paid for it. I try to do the meeting and greeting and consultation myself. I only recommend things based on my personal experience, such as restaurants.

Friends like this don't come cheap. For meeting you at Heathrow in his Rolls-Royce, Anderson charges £75 (about \$115) or £115 from Gatwick. Or you can opt for his Jaguar at £55 (£70 from Gatwick). This compares with £18 to £20 for a taxi and £20 to £30 for a chauffeur-driven car. Anderson said, "I'll find out what people's interests are, what they've seen, what they know and don't know. If it's their first visit, I'll answer all their questions about the basics, or if they've been to London before, all the latest tips about what to see and do. They can hire me or go off on their own. They can also use me as a resource center. It's a risk if people call me and I have to spend time finding things out for them without me earning anything. But that's what a friend will do, that's the concept I'm selling."

Anderson draws on a network of free-lance professionals, such as Blue Badge guides who are accredited to the London Tourist Board, for specialist knowledge. "For example, a U.S. banking chain in London asked us to help a German client, with no English, who wanted to bid for Impressionist paintings at Sotheby's, both for a museum and for his own collection. We found a German-born guide, who was also an art specialist, to help with his bidding."

For a half-day tour in the Rolls in and around London, Anderson charges £80 (£120 for a full day). "But if it's just from A to B, I charge an hourly rate of £10 plus £1.30 a mile. Most of my clients are people on vacation, but I am getting more and more corporate



Two of the idols found in Nicaragua have been put on display in Granada.

Mysterious Stone Idols of Nicaragua

by Stephen Kinzer

GRANADA, Nicaragua — A collection of massive stone idols carved by Indians as long as a thousand years ago has gone on display here.

The permanent exhibition has not been widely advertised, and an attendant said only a few hundred people, many of them foreigners, have stopped to see it since it opened in October. They have been rewarded with a glimpse into prehistory that raises at least as many questions as it answers.

The brooding statues, which range from about 5 to 10 feet (1.5 to 3 meters) in height, were discovered by Spanish explorers who visited the volcanic islands in Lake Nicaragua. But they were largely forgotten for centuries, and little is known about them or the people who made them.

Like the even larger idols on Easter Island, the Nicaraguan figures have inspired a variety of theories. The dearth of reliable data has not prevented writers and poets, as well as archaeologists, from falling under their spell.

The first person to study and catalogue statues from the Nicaraguan Islands was

E.G. Squier, who was the United States minister to Nicaragua in the mid-19th century. After hearing reports of "old rocks" said to be buried there under centuries of overgrowth, Squier traveled to the archipelago and engaged native laborers to help him uncover what turned out to be a collection of larger-than-life basalt statues of both humans and animals.

Squier was sufficiently impressed that he ordered some of the idols shipped to Washington for the Smithsonian collection. He speculated that they were objects of worship, perhaps part of a fertility cult.

"They are plain, simple and severe, and although not elaborately finished, are cut with considerable freedom and skill," Squier wrote. Some of them, he added, "conveyed so forcibly the idea of power and strength" that they might have been used as "a study for a Samson under the gates of Gaza, or an Atlas supporting the world."

Later in the 19th century, the Swedish Society of Anthropology and Geography sponsored an expedition led by Carl Bovallius, who uncovered more statues. Bovallius developed the theory that many of them had been used as pillars to support the roof of a temple.

The Swedish government, which pro-

vides substantial amounts of aid to Nicaragua's Sandinist regime, has not forgotten the Bovallius mission of more than a century ago. Sweden paid to have two dozen of the most impressive remaining monuments cleaned, mounted and placed on exhibition here.

Time and mistreatment have taken their toll. Sketches made by Squier and Bovallius show much more detail than is now visible. "Being buried out on the islands for centuries protected them," said Rigoberto Navarro, an official of the culture ministry who has conducted excavations on Zapatera Island, where most of the idols were found. "Jesusuit priests brought them to Granada and displayed them in a schoolyard where they were exposed directly to the elements. The priests also chopped off the genital organs so as not to disturb the children."

Although Nicaragua's archaeological heritage is not normally considered as rich as that of other Latin American countries like Mexico, Guatemala or Peru, the statues are displayed in an eerie double file behind an ancient convent here.

Navarro said they were probably carved between A.D. 800 and 1200 by tribes that migrated from Mexico. "The only way we

will be able to tell their age for sure is to discover one buried with some biological waste that can be reliably dated," he said.

Research expeditions to Zapatera are continuing sporadically, under the culture ministry's jurisdiction. During an 11-day stay on the island in November Navarro and two U.S. specialists found four previously unknown sites containing important relics.

Experts are not certain whether the statues were carved on the islands, which are of volcanic origin, or brought from elsewhere. Some have suggested that idols from various places might have been carried to the islands to protect them from destruction. Other investigators, such as the contemporary Nicaraguan writer Jorge Eduardo Arellano, speculate that the statues were used for religious ceremonies on Zapatera Island, which some believe had a ritual importance to ancient tribes.

The statues, Arellano has written, "were conceived and built in an early period of pre-Hispanic history when a culture, until now barely known, with a great funerary cult, decided to convert this island in Lake Nicaragua into its principal ceremonial center, developing an impressive sculptural art."

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Prague: Musical Footsteps

Continued from page 7

then resume its normal life as another Prague opera theater.

Music in Prague is not only opera. With a population of about 1.2 million, it has more symphony orchestras than New York or London, and the Czech Philharmonic — the country's No. 1 — ranks among the finest in Europe. (It is not well known in the West, but it has made many recordings; the historic disks with the conductor Václav Talich are worth hunting for.)

Orchestral concerts are usually given in the Smetana Hall, surely one of the most beautiful Secession buildings in existence. The exterior, these days, is somewhat drab at first sight; but, under the layer of dust, you can see the careful detail and the grandeur of the design. The interior is largely restored, and gleaming. All the great Czech artists of the early years of this century contributed to the decoration. (Be sure to visit the Primatorsaal, with allegorical paintings by Alfonse Mucha, Sarah Bernhardt's protégé and poster designer.)

The House of Artists, once known as the Rudolfinum, also has concerts, usually on a smaller scale, in its handsome Dvorak Hall, which was the seat of the Czech Parliament during the First Republic and, before that, the recital hall of the Prague Conservatory.

But in Prague there are concerts everywhere: in gardens, in churches, in museums and villas. A friend recently took me to an otherwise dreary, working-class neighborhood to show me a new concert location called the Atrium. Actually the hall is the 18th-century Church of the Holy Cross, neglected until a few years ago, when restoration revealed its excellent

acoustics and its beautiful organ (which has also been restored). Now, with a 120-seat capacity, it has an intense concert program. The calendar I saw listed 22 events — chamber orchestras, the Prague Madrigalists, trios and quartets — in a single month.

The Atrium draws largely a neighborhood audience, but for that matter there are concert halls in every quarter of the city, as I discovered one evening when I went up to the Vinohrady Theater for a (very creditable) performance of Mozart's "La Clemenza di Tito" by students who were graduating from the Conservatory. After I had bought my ticket, I had a half-hour to kill, so I walked around the

square. I came upon an impressive, obviously public building, the House of Culture, which also comprised an agreeable wine bar, where I stopped for a pre-opera drink.

When I came out and headed for my theater, an audience was streaming into the House of Culture, too; and I paused for a moment to look at the list of events. That night there was a leader recital by a well-known soprano from the National Theater; later in the week, the Steamboat Stompers were scheduled to perform. These neighborhood halls also sponsor collective trips to museums and monuments outside the city and present amateur talent as well as professionals.

The very streets of Prague are full of musical associations. Not far from the Tyl Theater, in the Old City, there is a plaque on an unassuming facade in the old Coal Market (Uhlensky trida), the site of the Three Lion Cubs, an inn where Mozart stayed. But Mozart's spirit is even more compellingly present in the Villa Bertramka — an inexpensive taxi ride from the center of town — where the composer visited his good friends, the Czech musician Frantisek Dusek and his wife, the singer Josefa. According to

In Prague there are concerts in gardens, churches, museums and villas.



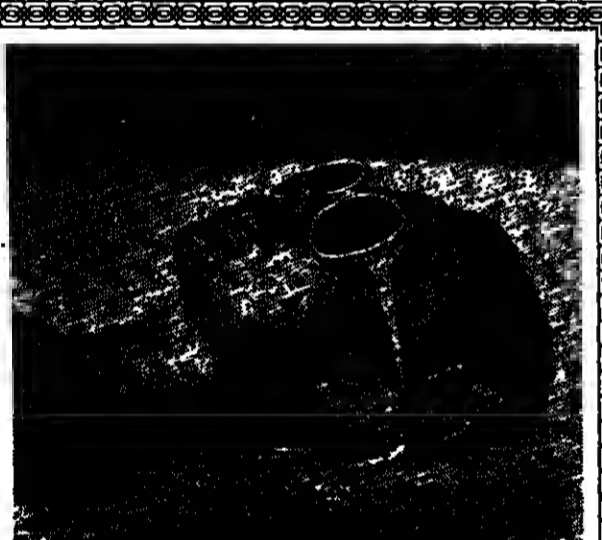
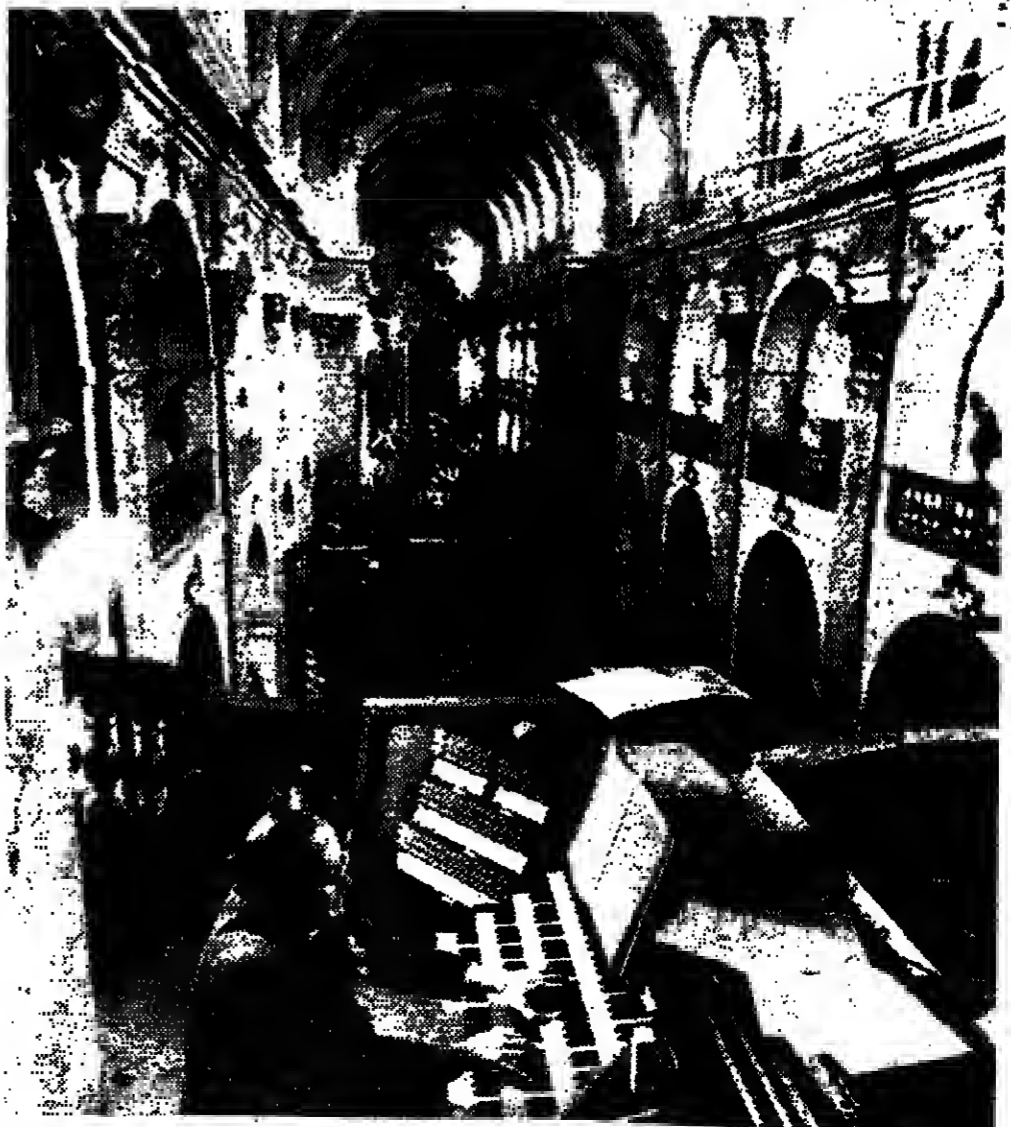
The Smetana Theater, and (below) Ivan Sokol rehearsing in St. Jacob's Church.

credible tradition, Mozart composed the overture to "Don Giovanni" in the shady garden of the villa, and for his hostess he wrote the concert aria "Bella mia fiamma." Josefa must have been a good singer; years later, she created Beethoven's "Ah perfido!"

The airy, bright rooms of the villa are now a touching little Mozart — and Dusek — Museum. There is also a Dvorak Museum, in an elegant 18th-century villa in the Vinohrady quarter. But most moving of all is the Smetana Museum, housed in an old flour mill overlooking the Vitava, which was long better known elsewhere by its German name, the Moldau. There, among old family photographs, faded letters and posters, you can see from the windows the charming rapids described in the tone poem. As you wander through the rooms of the museum, a tape of Smetana's music plays discreetly; by magic coincidence, I heard "Vitava" just as I was gazing down at the rushing water.

In Prague you really do have the sensation that musicians are everywhere. Once I saw a uniformed army colonel return a salute with his right hand while carrying an instrument case with his left. On another occasion, I was talking with the charming wife of a distinguished violinist, and asked her if she, too, was a musician. "Oh, no," she demurred, then added, as an afterthought: "Naturally, I play the piano. Like everyone else."

William Weaver, a writer and translator who lives in Italy, is the author most recently of "Duse" (Harcourt Brace Jovanovich). He wrote this for The New York Times.



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TRAVEL

On a Thai Island Paradise

by Roger Browning

KOH SAMUI — The friendly hosts at Friendly Bungalows had been busy in the kitchen for well over an hour since taking the orders and, perhaps out of tune with the calm of the Thai night, diners were getting restive. One guest, hungrier and less polite than the rest, asked what had become of his dinner. "Me cook long, but me cook good," came the firm reply. She was right, on both counts. The food was superb as is so much on Koh Samui, an island off Thailand's east coast that travelers so unreservedly recommend to each other.

It has all the classic necessities for a paradise island: coconut palms, sun and sand. But it is also hard to get to, which has allowed it to stay simple, while offering the soft Western traveler a degree of comfort.

A similar reputation used to cling to Phuket, an island off the west coast. But forget Phuket. It is now paradise lost, according to travelers' tales. While it retains much of its natural beauty, some of it is now no more than a 24-hour discotheque. That may be Koh Samui's fate, too, but for now the world is still a world away.

For about a dollar, a palm-thatched beach hut can be had, with nothing but a big bed and a balcony. For a mere dollar more, the hut will include a toilet and cold water shower.

The huts are clustered around an open restaurant area, run by a family. The food is simple but good: lots of fresh seafood, curries calmed by coconut milk, fresh fruit salads.

At Friendly Bungalows, as in many other hut groups, what you pay for is taken on trust. Each visitor keeps a log of what has been ordered and it is added up at the end of the stay. The trust system adds to the friendly atmosphere, and prices are remarkably low. Friendly Bungalows will even pay guests' taxi fares back to the harbor "to make sure you come back."

Getting to Koh Samui (Koh means island in Thai) means taking an overnight train from Bangkok. A berth in second class is perfectly comfortable, with sparking sheets and a curtain for privacy. At the town of Ban Don in Surat Thani province, buses and taxis run to the harbor. It can be a long wait for the boat, but there are plenty of cafés to have breakfast in. The "express" boat takes three hours.

From Koh Samui's port of Ban Ang Thong, you will be invited to take an open taxi that circles the island, stopping off at the clumps of bungalows. It is not possible to book in advance, so you wait until you see something you like that has a vacancy and then jump in. One of the most popular beaches is Lamai, where some of the huts even have air-conditioning. But on the whole, the quietest bungalows are those furthest from the port.

Thereafter, there is no need to budget from the beach for the rest of your stay. However, the forest-covered island, 16 miles (25 kilometers) at its longest point, is worth explor-



Rock formation off the coast attracts sightseeing boats.

ing for its waterfalls and fishing villages. Motorcycles and jeeps are cheap to hire but the position on insurance is unclear.

Paradise always has its dark side and, like the Garden of Eden, Koh Samui has snakes. It also has scorpions that are not deadly but can give a painful sting. One couple found a scorpion in their bathroom. "That's nothing," the bungalow's owner said. "The last couple in that bungalow found a snake in the bed."

For that reason, it is best to avoid the huts under the trees and go for those right by the beach. Do not sunbathe, either, below the coconut palms. A falling coconut could kill and, while the locals have trained monkeys

to climb up and throw down the ripe nuts, they have not been able to train them to avoid hitting people on the head.

Koh Samui is the largest of a chain of about 80 islands. Only a very few are inhabited and the traveler in search of perfect peace should have no trouble renting a boat.

Koh Samui's peaceful days may be numbered, however. An airport, the kiss of death for an earthly paradise, is due to open in April.

Roger Browning, an editor at the International Herald Tribune, spent a year traveling in Asia.



A beach at Koh Samui.

The Pungent Durian Dispute

by Michael Richardson

SINGAPORE — Yap Au Yong stood in a Chinatown street beside several baskets filled with spiky green spherical objects, some as big as a human head. He picked them up, ooe by ooe, carefully brushing off any dust or dirt.

"This," he said proudly holding up one of his wares, "is the king of local fruit."

Yap has been selling durians for 12 years. He buys them from Malaysia. Each day at this time of year trucks bring them across the causeway linking the main island of Singapore to the Malaysian peninsula.

He sells about 500 durians daily to customers who come to his stall.

Durians ripen twice a year — in December-January, and June-July. That is quite enough for Westerners, many of whom find the smell of the fruit pervasive, sickening and repellent. But it is not nearly enough for millions of devotees in Singapore, Malaysia, Indonesia, Thailand, the Philippines and other parts of Asia.

The botanical name for the tree that produces such outlandish fruit — the skin is like

armor plating — is *Durio zibethinus*, from the Malay word *zuri*, meaning "thorn" and the Italian *zibeto* "strong-smelling." The tree thrives in soil with a high sulfur content which doubtless contributes to its distinctive aroma.

The durian is said to epitomize Southeast Asia. Dennis Bloodworth, who has written extensively about the region, described the fruit in a preface to one of his books as "prickly, strange, smelly and beautiful, revolting, enchanting, an offense and an addiction."

Opening a durian requires both skill and strength. Inside are between four to eight compartments containing segments of the fruit — a creamy yellow pulp which tastes like an Asian variety of barium meal and smells foul.

A British governor of Singapore in the 19th century called it "carrion in custard." More recently, durian has been likened to eating rancid cheese in a public latrine.

The reaction of Lee Siew Lian, a 16-year old Singaporean school student, at the durian stalls in Chinatown, was typical. "It's quite sweet and absolutely delicious and the smell is very nice."

Lee bought 10 durians. "I'm taking them home to share with my family," she said.

William Lim, an architect, is not mad about durians. He eats them once or twice a season as an experience. "It smells and tastes so different from any other kind of fruit," he said. "And durians from different locations have different flavors."

The naturalist Alfred Russel Wallace first encountered the durian in Borneo in the mid-19th century. His initial reaction was unenthusiastic. But then one day "I found a ripe fruit on the ground and, eating it out-of-doors, I at once became a confirmed durian eater."

He said the taste was "indefinable" but that did not prevent him from making an imaginative attempt. "A rich, butter-like custard highly flavored with almonds gives the best general idea of it, but intermingled with it come wafts of flavor that call to mind cream cheese, onion sauce, brown sherry and other incongruities."

A more earthy description of durian was penned by a Catholic missionary in the southern Philippines. "It tastes like heaven," he said, "and smells like hell."



1987 good reasons to see Thailand this year

Majestic temples and magnificent elephants, glittering roofs and garlands of orchids, enchanting people and exotic cuisine...one could write a long book about the land they call Thailand (and many seasoned travellers have). And never has there been a better year to see Thailand than 1987. For this is Visit Thailand Year in the Land of Smiles.

Among the kaleidoscope of festivities planned for 1987 you should try to catch some of these:

- Feb. 13-15. Chiang Mai Flower Festival.** A million blooms, a thousand smiles. One of the unforgettable moments of your life.
- April 13. Songkran Festival.** A nationwide water festival celebrating the Thai Lunar New Year.
- May 9-10. Bun Bang Fai Festival.** "Bang!" indeed. Held in northeast Thailand, a fireworks show like no other you've ever seen.
- Oct. 16. Royal Barge Procession.** An armada of brilliant colours, pageantry and rare splendour not to be missed.

- Nov. 5. Loy Krathong.** Celebrated nationwide, this is Thailand's loveliest festival.
 - Nov. 14-15. The Elephant Round-Up.** Ever seen 100 elephants enact a medieval War Parade? You will if you come to Surin in northeast Thailand for this extraordinary display.
 - Nov. 22. Bangkok Marathon.** A major sporting event commemorating His Majesty the King's 60th Birthday Anniversary.
 - Dec. 15. Light and Sound Presentation.** A glittering occasion to be held at the Royal Grand Palace and the Temple of the Emerald Buddha.
- These are only a small selection of the truly stunning special events that mark 1987 as Visit Thailand Year — a year full of festivities, flowers and fireworks. Make your holiday plans now. And make sure you fly on Thailand's own airline, Thai International. Where the exotic sensations that are Thailand start from the moment you step on board.

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TOTAL PRIZES	1,014,724	TOTAL PRIZE VALUE \$37,443,228.10

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Dear Shareholder,

Your Company has had a first-rate year and growth continues. Earnings per share are 25.5 pence on increased share capital, and profit before tax is over £165 million.

I hope that, after you have glanced at my brief survey of new projects, you will go on to read the general Review of Operations.

In October 1986, we made a decision to enter the oil business in the U.S.A., by the acquisition of six hundred producing oil and gas fields, which were bought for about U.S.\$170 million from Atlantic Richfield as a joint venture with Mr Robert Anderson. Lonrho believes this will be an excellent base for a modern oil producing and trading company free of unproductive overheads. The new company, which has its headquarters in the United States, is already operating profitably under the experienced leadership of Mr Anderson.

As I said last year, we intend to strengthen links with Japan. We have now signed a formal co-operation agreement which includes a cross-holding of shares with the major Japanese trading company, Nissho-Iwai. Lonrho has worked with Nissho-Iwai on several large projects in Africa and so we feel confident that this closer association will give us opportunities to develop in the Pacific Basin.

Application is being made to obtain a listing on the Tokyo Stock Exchange in the near future, which will further expand the Group's presence in the Far East.



Lonrho headquarters - Cheapside House, London.

Agricultural interests in Africa - already extensive - were expanded this year when we were invited to re-commission several large and fertile estates in Mozambique, which Lonrho now owns and manages in partnership with Government. The development, which was initiated by the late President Samora Machel, was productive from the start and we are increasing the acreages.

Companies in the African continent have produced and traded extremely well, although some had adverse exchange rates with a consequent effect on sterling profits.

Shareholders may be surprised to hear that, with this year's expansion, Lonrho is now one of the largest beef-ranching companies in the world, with a herd of about 120,000 head grazing on two million acres.

During the year, by agreement with the innovative Mr Eddie Shah, Lonrho took a 78 per cent. interest in Britain's first colour national newspaper, "TODAY". This will sustain the paper as it continues to build up a regular readership by constant improvement.

Your Company's whisky division has the second largest share of the United Kingdom market, with three brands in the Top Ten - Whyte & Maekay "Special", and added this year, The Claymore and the world-renowned Haig.

Underlying financial strength has been further improved by a well supported issue of U.S.\$100 million convertible bonds at 4.75 per cent. In May and a recent issue of U.S.\$100 million bonds at 8 per cent. These issues, which do not affect Shareholders' earnings or rights, help to underwrite expansion.

And expand we will - with your support and the advice and enthusiasm of Lonrho's experienced management team. We used our original founding spirit of enterprise.

To everybody working for Lonrho, I express the Board's warm thanks and appreciation for their contribution to the security and growth of the Company, which has increased a thousandfold in the last twenty-five years - despite the odd problem!

The Group has started the new financial year well, although it is too early to make a forecast. To mark the end of this year we are issuing a 1 for 10 bonus share.

Yours sincerely,
Tony Rowland

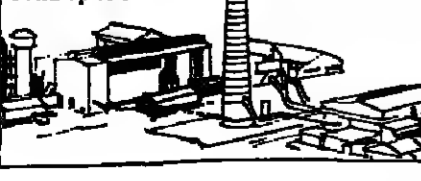
The following is taken from the Review of Operations for the year ended 30 September 1986.

MINING AND REFINING

The recent upsurge in gold and especially in platinum prices has boosted the Group's precious metal mining profits. Production has increased to over 250,000 ounces of refined platinum group metals. Platinum production is planned to expand substantially over the next few years to take output to 500,000 ounces annually.

Gold production from the Group's Zimbabwian mines reached another all-time high. Ashanti output was affected by a strike earlier in the year, now amicably settled. Good progress has been made with the U.S. \$160 million programme to expand Ashanti production by 50%.

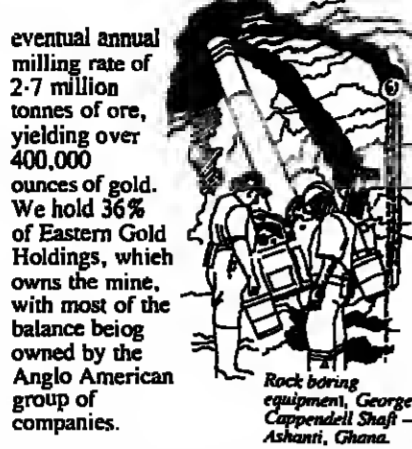
Shortly before the year end the first reef development at the important Erfiddele mine was driven, revealing gold values above expectations. Production will start later this year and build up to an



Base metal refinery and smelting plant - Western Platinium.

Lonrho has had a first-rate year and growth continues. Profit before tax is now over £165 million

R W Rowland, Chief Executive



Rock boring equipment, George Coppell Shaft, Ashanti, Ghana.

AGRICULTURE

The Group's seven sugar estates reported record overall profits with major contributions from the mills in Swaziland and Mauritius. Sugar production has increased to about 450,000 tonnes.

In Kenya, profits from crops, produced by The East African Tanning Extract Company, were significantly increased.

In Zambia, Kalangwa Estates has had an exceptionally successful year in production of tobacco, maize, wheat, poultry and pigs.

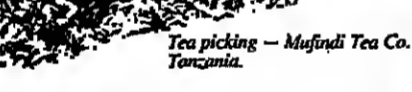
In Malawi, a record 4.9 million kilograms of tea was harvested during 1986, but turnover was down due to lower tea prices. A healthy profit was earned from other crops, particularly coffee, where production was up at 260 tonnes.

In Nigeria, John Holt has branched out into food farming for the first time, with a large poultry complex.

Demand for high quality arabica coffee in Zimbabwe was strong during the year, with good prices being obtained. Sales of beef cattle amounted to 10,600 head.

The Group's recently re-acquired Mufindi Tea Estates in Tanzania have produced 1.3 million kilograms of tea, which is their second best ever year.

In Mozambique, the Group, in partnership with Government, now has 3,000 hectares under cultivation.



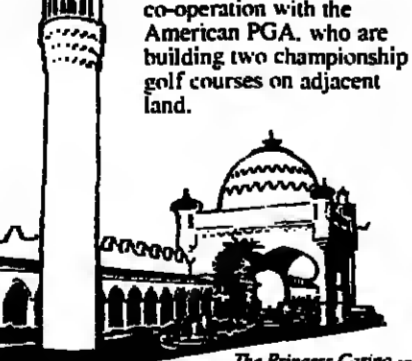
Tea picking - Mufindi Tea Co., Tanzania.

HOTELS AND CASINOS

In Bermuda the major refurbishment programme for the Princess hotels continued. Occupancy levels overall increased, despite the Southampton Princess being closed for renovations during part of the year.

In Mexico the Acapulco Princess is reporting substantially improved reservations for the current winter season compared to last year, which was affected by the major earthquake in September 1985 although no damage was caused to the Princess hotels or their surroundings.

Construction began on a new 600 room luxury resort hotel in Scottsdale near Phoenix, Arizona in co-operation with the American PGA, who are building two championship golf courses on adjacent land.



The Princess Casino - Bahamas.

In the United Kingdom the Metropole Hotel Group has reported record profits at all five of its hotels despite the reduction in overseas visitors. At the Birmingham Metropole occupancy was at its highest level ever and the new Kings Suite conference facilities were opened in May. Extensive work has been completed at the Brighton Metropole and a new swimming pool has been added.

The Metropole Hotel Group held 3,800 conferences during the year maintaining its position as the leading exhibition and conference group.

The Stanhope Apartments in Park Lane were opened in May, providing superbly

furnished flats and a penthouse for short-term letting, which are undoubtedly London's best.

The returns of the Casino division have been lower due to a fall in visitors from overseas, which seems to be over judging by the 1987 first quarter's results. Overseas, the Bahamas casino was well attended and the flight programme for visitors to the casino was expanded.

In Kenya the newly acquired Mount Kenya Safari Club, one of the most



Jack Barclay, Rolls Royce and Bentley distributors - London.

1986 AT A GLANCE

	1986	1985
Turnover	£2,651m	£2,586m
Profit before tax	£165.1m	£158.3m
Profit attributable to shareholders	£76.5m	£67.6m
Earnings per share	25.5p	23.3p
Dividends per share	12.0p	10.9p
Cash balances	£220m	£211m

Earnings and dividends per share for 1985 have been adjusted for the capitalisation issue in 1986. The seventy-eighth Annual General Meeting of Lonrho Plc will be held at the Great Room, Grosvenor House, Park Lane, London, W.1, on Thursday, 19th March, 1987 at 11.30 a.m.



luxurious safari lodges in the world, realised a good profit in its first full year of ownership.

MOTOR DISTRIBUTION

In spite of intense competition during the year, the Audi Volkswagen Group's market share at 6% is again better than last year. V.A.G (UK) continues to be the leading importer of European cars in the United Kingdom.

During the year the new Audi 80 range was introduced incorporating the unique Procon 10 safety system, which has received tremendous press comment.

MAN-VW is now the fastest growing truck company in the British market, which has become the largest MAN export market in the world.

Dutton-Forsyth Motors is one of Jaguar's leading distributors with six outlets. The introduction of the new XJ40 augurs well for a successful future.

Jack Barclay, the world's best known Rolls Royce dealer, again did well with its exquisite motor cars.



Deutz-Fahr tractors distributed by Warrsare.

Seat Concessionaires (UK) now has 113 franchised dealers throughout the country and is the fastest growing motor franchise ever in the United Kingdom.

Western Machinery is firmly established as the market leader in baler and forage harvesting machinery.

Zimoco, the Group's Mercedes distributor in Zimbabwe, sold nearly 600 vehicles during the year, making it the third largest distributor of Mercedes vehicles in Africa.

In Keoya, the Motor Mart Group moved to better premises in Nairobi. We now have an ideal location to display such good products as Toyota, Massey Ferguson,

evening newspaper. Significant circulation increases have also been achieved.

Scottish & Universal Newspapers consolidated its position as the paramount weekly newspaper group in Scotland.

The large number of well publicised takeovers and mergers during the year has benefited Greenaway-Harrison, a well organised high security printer.

Greenaway-Harrison also made significant advances to their specialist services to banks and financial institutions.

Harrison & Sons marked its 52nd year of holding, uninterrupted, the British Post Office stamp printing contract.

The print centres of Holmes McDougall in Edinburgh, Glasgow and Norwich performed well throughout the year.

Harrison Decorative Papers consolidated and strengthened its position as the largest United Kingdom producer of printed decorative papers to the furniture industry.

The majority of the companies in the Firststeel Group improved their results over last year.

Firststeel Metal Products earned record sales and profits. Firststeel acquired Bromford Cold Mill during the year to complement its range of steels in the cold rolled strip market. All the stockholding companies performed well.

Charles Roberts Engineering more than doubled its profits this year. The Lightfoot Refrigeration Company was awarded a major contract from a Japanese shipyard and also installed the new ice rink at the Birmingham National Exhibition Centre for the Sport Aid spectacular.

In Zambia, the President of the Republic opened a prestigious housing project completed by the Group's construction company, Delkins. Delkins also erected the Group's cotton ginnyery plant in Mumbwa in record-time.

Vitrex Paints was able to secure valuable imported raw materials for its paint production. Efforts to increase exports to other tropical countries have increased.

W. Dahmer & Co. improved its revenue from Zimbabwean manufactured buses and trucks, which it continued to export to other countries in Africa.

In Nigeria, John Holt is manufacturing 60 foot trawlers made of fibreglass.

PRINTING AND PUBLISHING

The Observer's circulation continues to outperform the market with strong gains compared with losses by all other quality Sunday titles. Plans have been announced to move to contract printing in 1987, which will further enhance performance.

The Glasgow Herald improved its position as Scotland's leading quality national daily newspaper and the British Newspaper Design Awards named the Glasgow Evening Times as the best



Cellar - Chateau Rausan Segla, Bordeaux.

Whyte & Mackay "Special" and other company brands have increased sales volumes, especially to Europe.

The Group continues to operate 19 breweries in partnership with African Governments and municipalities, producing traditional high protein beer.

In Zambia, the Coca-Cola bottling company is, as ever, very busy. The Group also operates three Pepsi Cola bottling plants in Nigeria.



Container crane in operation.

The Kühne & Nagel group of companies again showed a satisfactory performance, although it was affected by the devaluation of the U.S. Dollar against European currencies. This resulted in lower commission income and less revenue in a number of countries, as well as a decrease of oceanfreight business volume from Europe and the Far East to North America.

FINANCE AND GENERAL TRADE

Baumann Hinde, the Group's cotton merchandising company, traded well during a period of rapidly declining prices. In February, the company was awarded a consultancy marketing contract by the Zimbabwe Government.

The PIH Group has confirmed its position as the leading supplier of kitchens and bathrooms to the United Kingdom with the acquisition of Fourways.

The Group's insurance division, F. E. Wright, achieved a modest increase in profitability despite greatly increased costs.

Jobo Holt's confirming operations were boosted by a large pharmaceutical contract with the Nigerian Government during the year.

The Group's property investment portfolio was substantially reduced during the year by the sale of a large Gulfstream III - one of the Group operated aircraft.

portion of its residential and commercial properties for £53 million. In December 1986 the freehold of Lonrho's headquarters, located in a prime open position in Cheapside directly opposite St. Paul's Cathedral, was purchased.

Southern Watch & Clock Supplies traded satisfactorily in 1986 and profitability has been maintained.

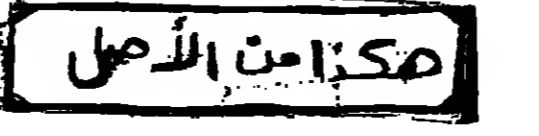
Turpan, which is the largest supplier in Zambia of mining equipment and spare parts to the copper mines in Zambia, performed exceptionally well.

Lonrho continue to represent substantial American aircraft manufacturers in a number of countries in Africa, including Beechcraft, which is our most successful agency, and Boeing. In addition, the Group owns about 30 hard working aircraft.

The text is taken from the Chief Executive's Statement and Review of Operations contained in the Report and Accounts for the year ended 30 September, 1986 which will be published in late February. Copies will be available from the Secretary, Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL.

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FRIDAY, JANUARY 30, 1987

Page 11

TECHNOLOGY

Sony's 8-mm Video Camera Faces a Familiar Struggle

By RICHARD STEVENSON
New York Times Service

LAS VEGAS, Nevada — Sony Corp., which suffered a costly strategic defeat when its Beta format failed to become the standard in videocassette recorders, is in for another long, expensive and perhaps lonely fight over a video format. Once again, this time under the banner of 8-mm hand-held video cameras, Sony is challenging the dominant VHS technology being marketed by almost all of its rivals.

Industry experts who attended the winter Consumer Electronics Show in Las Vegas last week were not predicting that Sony's 8-mm format is headed the way of Beta, which is now out of 10 to 1 by VHS. And Sony officials vigorously deny any similarities between the battle for the camcorder market and Beta's defeat in the videocassette recorder market.

But analysts say the popularity of the new VHS compact format should be a warning sign for Sony. VHS-C cassettes are about the same size as 8-mm cassettes, permitting smaller and lighter cameras while retaining compatibility with the millions of VHS videocassette recorders.

"The trend is favoring VHS-C right now," said Eugene G. Glazer, an analyst at Dean Witter Reynolds Inc. "Nine months ago the trend suggested that it would be 8-millimeter."

Sales of VHS-C cameras now exceed those of 8-mm for the first time, analysts say. This marks a sharp reversal for Sony, which had been enjoying considerable initial enthusiasm for its 8-mm line.

At stake is the dominant share of a fast-growing category in the consumer electronics industry. American sales of camcorders nearly doubled last year, to 1.1 million units, or \$1.1 billion at the factory level, according to the Electronic Industries Association. A sales increase of nearly 50 percent is projected for this year.

The battle also underscores the confusion that can result among manufacturers, retailers and consumers by the constant emergence of new and competing technologies. Audio equipment makers, for example, are in a dispute over how soon to introduce the next generation of recording equipment, known as digital audio tape, or DAT.

ASSON'S KNOWS more than one major electronics company. So far all of the giants, led by JVC, are going with VHS-C. RCA recently chose VHS-C after implying that it might sell both formats.

For most electronics companies, the incentive to go with VHS over 8-mm is obvious: Most of them are doing a booming business selling VHS videocassette recorders and do not want to spoil that market.

Sony vigorously disputes that 8-mm is in trouble, and it rejects comparisons with the Beta failure.

"For the U.S. market last year, we have exceeded our sales expectations," said Michael Melitzer, Sony Corp. of America's vice president for consumer video. He said Sony accounted for 25 percent of all camcorder sales last year.

Sony also notes that it is not alone in the market. Some big camera companies, including Canon, Olympus and Kodak, none of which have any investment in VHS technology, also sell 8-mm camcorders.

And Matsushita, the Japanese electronics giant that sells VHS camcorders under its JVC and Panasonic labels, makes 8-mm

See **SONY**, Page 13

Durables Orders Up In U.S.

Civilian Demand Fuels 0.9% Rise

The Associated Press

WASHINGTON — New U.S. orders for durable goods rose 0.9 percent in December from November, fueled by the biggest gain in civilian demand in almost four years, the government reported Thursday.

The Commerce Department said that factory orders for durable goods, items expected to last three or more years, totaled a seasonally adjusted \$109.85 billion in December after a revised 5.1 percent increase in November. The November gain was originally reported at 5.9 percent.

However, the November increase, the biggest in two years, was powered by a 107.1 percent rise in defense orders.

After subtracting the military surge, orders actually fell 0.1 percent in November, revised from the 0.6 percent gain originally reported.

But in December, the civilian category soared 6.9 percent, the best showing since an 8.8 percent increase in January 1983.

In December, orders for military equipment fell 55.4 percent to a monthly total of \$4.62 billion as demand slackened for military aircraft. Analysts discounted the huge November and December swings in military orders, noting that the category is highly volatile.

Orders for nonmilitary capital goods rose 5.5 percent in December following a strong 5.7 percent increase in November. This category is closely watched for signals of industry plans to expand and modernize facilities.

Analysts have speculated that the big increase in the last two months of 1986 reflected efforts by companies to order and accept delivery on capital equipment to qualify for tax breaks before the U.S. tax law changed on Jan. 1.

For all of 1986, orders for durable goods rose 1.5 percent to \$127 billion, compared with a 3.7 percent gain in 1985.

In GE Unit, Pride but Few Payoffs

Slump Follows Big Investment In Locomotives

By Barnaby J. Feder
New York Times Service

ERIE, Pennsylvania — General Electric Co. and General Motors Corp. routinely racked up big profits from their locomotive divisions during the late 1970s. But GE, with 25 percent of the domestic market, wanted more.

"We were second in the industry because there were two of us," said Carl J. Schlemmer, who has run the GE unit that produces locomotives since 1974.

"That didn't fit Jack Welch's definition of second."

He was referring to John E. Welch Jr., the chairman of GE, who is known for insisting that the company rank first or second in all of its core businesses.

With Mr. Welch's blessing, Mr. Schlemmer's transportation systems group, which produces power systems for transit cars, oil rigs and off-road trucks along with locomotives, plunged into a modernization program that has cost more than \$500 million since 1981.

GE has emerged with what is widely acknowledged to be a "world-class" automation showcase at this 175-acre (70-hectare) complex, where it has been making locomotives since 1910. And it caught up with GM, taking about 50 percent of new orders in recent years.

But company executives have as much reason to cry as to crow. The locomotive market, always cyclical, has fallen into an unexpectedly deep and prolonged recession that is robbing them of the payoff they anticipated.

"Our investments put us in a position to hold on to what little we have and get what's out there, but we are not a big engine idling, waiting to go," said John Aymong, manager of the new computer-controlled flame-cutting shop, which produces parts that are welded into locomotive bodies. "It is disheartening."

Had GE foreseen the extent of the slump, Mr. Schlemmer said, it would not have invested so heavily and probably would have ended up abandoning the locomotive business entirely. But as a



Carl J. Schlemmer of GE locomotives.

result of the modernization, GE discovered a cost-cutting potential it hadn't envisioned and now hopes to prosper when business picks up.

GE says that its locomotive business is limping along at 30 percent of capacity — "marginally profitable," according to Mr. Schlemmer. The company's rival, GM, has not produced any locomotives since November. It is currently depending entirely on orders for spare parts and rebuilding.

Chastened, Mr. Schlemmer believes that domestic railroads may buy as few as 300 new locomotives this year, down from the already-low 525 reported last year by Railway Age Magazine, and that demand will rebound only to 600 to 800 in the foreseeable future.

A typical locomotive sells for \$750,000 to \$1 million. As recently as 1979, the domestic railroads bought more than 1,700 locomotives.

Manufacturing experts said that GE's experience in Erie is a

classic example of the risks that companies take when they embark on modernization programs that require heavy capital investment.

GE's program included such low-cost measures as improving quality and inventory control and designing its products for ease of manufacture.

But the company also poured tens of millions of dollars into computer-controlled equipment such as a flexible machining center, a plasma-burning unit and a 12-story automated warehouse.

The brightly painted machines stand out as islands of modernity in the vast, decades-old complex, which includes about 20 buildings.

The heavy outlays meant that GE would have to have sizable increases in sales just to break even.

Steven Wallock, head of manufacturing consulting for McKinsey & Co., said that for an investment like GE's to pay off, it would have to result in a product that creates significant new

See **GE**, Page 17

EC Grants U.S. Grain Markets In Trade Accord

By Peter Maass
International Herald Tribune

BRUSSELS — The European Community tentatively agreed Thursday to grant wide-ranging concessions to the United States in an accord that seemed to settle a dispute over U.S. grain exports to Spain and to avert a trade war.

The EC and the United States, after three days of negotiations by telephone, reached an agreement that gives agricultural and industrial compensation to Washington for losses caused by tariffs that Spain had to impose when it joined the EC last year.

The United States said that the tariffs cost it about \$430 million worth of corn exports.

The accord still needs final approval from EC countries by the deadline of Friday evening. Officials were meeting in Brussels late Thursday to ratify the pact.

"This is a political solution," said Willy de Clercq, the EC's external relations commissioner, who led the 12-member community's negotiating team. "It solves a problem that could have led to a trade war. It could have spiraled and dragged in the rest of the world."

U.S. officials welcomed the agreement. "I think we are satisfied sufficiently to call it quits," a U.S. source said. He discounted suggestions that pressure from Washington forced the EC to cave in.

"No one got sold down the river — we didn't take him to the cleaners," he said, referring to Mr. de Clercq.

The agreement calls for the EC to allow annual exports of 2 million metric tons (2.2 million short tons) of corn and 300,000 tons of sorghum into Spain at low tariffs. It also requires Portugal to lift a year-old practice of buying 15 percent of its grain imports from EC merchants.

The United States is expected to gain about two-thirds of the Spanish and Portuguese quotas. In the case of corn — the key area — this means about 1.6 million to 1.7 million tons of exports to Spain.

Despite concerns that EC negotiators gave too much away, final clearance by the deadline is expected.

Officials said, however, that EC foreign ministers might be called to Brussels for a special meeting Friday if lower-level aides failed to resolve problems.

If the EC does not approve the accord by the deadline, the United States plans to impose a series of import restrictions on about \$430 million worth of EC goods.

These duties of 200 percent would cover such goods as white wine, cheese and some alcoholic spirits. In turn, the EC has vowed

See **ACCORD**, Page 17

GATT Delegates Reach Formula For Farm Talks

International Herald Tribune

GENEVA — In what delegates for the United States and the European Community termed a fair compromise concerning agriculture, negotiators have agreed to a formula for a broad range of trade talks beginning here Feb. 9, officials of the General Agreement on Tariffs and Trade said Thursday.

The compromise, the first hurdle in a four-year effort to liberalize world trade, came during an all-night session at GATT's headquarters.

Washington and the EC agreed on a time frame that the chief U.S. representative, Michael Samuels, said would allow talks on the key issue of agriculture to move "as fast or as slow as the will of the participants will let it."

Under the agreement, Washington will no longer insist on a "fast track" approach that would have allowed agriculture talks to move ahead quickly and have set a 1988 deadline for substantive negotiations on EC farm subsidies. The two sides had been sharply divided over whether the farm talks should move in step with the other negotiating areas.

Currency Rates

Cross Rates	Jan. 29	Jan. 29	Jan. 29	Jan. 29	Jan. 29	Jan. 29	Jan. 29	Jan. 29	Jan. 29
American \$	2.011	2.078	132.795	132.795	132.795	132.795	132.795	132.795	132.795
British £	1.752	1.752	1.752	1.752	1.752	1.752	1.752	1.752	1.752
French F	6.545	6.545	6.545	6.545	6.545	6.545	6.545	6.545	6.545
German M	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Italian L	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Japanese ¥	163.60	163.60	163.60	163.60	163.60	163.60	163.60	163.60	163.60
Swiss S	1.752	1.752	1.752	1.752	1.752	1.752	1.752	1.752	1.752
Spanish P	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64
Portuguese \$	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48
U.S. Dollar	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Clasings in London and Zurich. (Exchange in other European centers. New York rates of 4 P.M. (C) Commercial time (D) Amounts needed to buy one pound (C) Amounts needed to buy one dollar (F) Units of 100 (L) Units of 1,000 (M) Units of 10,000 (S) not quoted; (N.A.) not available. (P) To buy one pound; (S) to buy one dollar.

Other Dollar Values

Currency per U.S.	U.S. per Currency	Currency per U.S.	U.S. per Currency
Australian \$	1.49	0.67	1.49
Canadian \$	1.33	0.75	1.33
French F	6.545	0.15	6.545
German M	1.936	0.52	1.936
Italian L	1.936	0.52	1.936
Japanese ¥	163.60	0.006	163.60
Swiss S	1.752	0.57	1.752
Spanish P	166.64	0.006	166.64
Portuguese \$	200.48	0.005	200.48

Sources: International Bank (Brussels); Banca Commerciale Italiana (Milan); Banco Nacional de Paris (Paris); Bank of Tokyo (Tokyo); IMF (EDR); BAI (Lyon, Paris, Athens); Reuters (London). Other rates from Reuters and AP.

Interest Rates

Eurocurrency Deposits	Jan. 29	Jan. 29	Jan. 29	Jan. 29
1 month	4.75%	4.75%	4.75%	4.75%
3 months	4.75%	4.75%	4.75%	4.75%
6 months	4.75%	4.75%	4.75%	4.75%
1 year	4.75%	4.75%	4.75%	4.75%

Sources: Morgan Guaranty (London); Citicorp (New York); Citicorp (London); Citicorp (Tokyo); Citicorp (Paris); Citicorp (Frankfurt); Citicorp (Zurich). Rates continue to interbank deposits of \$1 million minimum (for equivalent). (SFR) Swiss franc; (DM) Deutsche mark; (L) Luxembourg franc; (P) Portuguese escudo; (Y) Japanese yen; (S) Swiss franc; (F) French franc; (M) Italian lire; (N) Netherlands guilder; (D) German mark; (E) Spanish peseta; (P) Portuguese escudo; (L) Luxembourg franc; (S) Swiss franc; (F) French franc; (M) Italian lire; (N) Netherlands guilder; (D) German mark; (E) Spanish peseta; (P) Portuguese escudo.

Key Money Rates Jan. 29

Country	Rate
United States	11 1/8
Canada	11 1/8
France	11 1/8
Germany	11 1/8
Japan	11 1/8
Switzerland	11 1/8
U.K.	11 1/8

Asian Dollar Deposits Jan. 29

Country	Rate
1 month	6 1/8 - 6 3/4
3 months	6 1/8 - 6 3/4
6 months	6 1/8 - 6 3/4
1 year	6 1/8 - 6 3/4

Sources: Reuters.

U.S. Money Market Funds

Fund	Assets	Yield
Merrill Lynch Ready Assets	\$1.5B	5.57
30 day average yield:		5.57
Telocator Interest Rate Index:		5.57

Sources: Merrill Lynch, Telelocator.

Gold

Commodity	Price
Gold (100 oz)	412.75
Gold (100 oz)	412.75
Gold (100 oz)	412.75
Gold (100 oz)	412.75

Sources: Reuters.

U.S. Aide Warns Japan Risks Severe Recession

The Associated Press

WASHINGTON — Japan faces a deep recession unless it modifies its economic policies to lower its huge trade surplus and stimulate import growth, a top U.S. trade official warned Thursday.

In remarks prepared for delivery Thursday to the Japan National Press Club in Tokyo, Bruce Smart, the U.S. commerce undersecretary, also accused Japan of being "unwilling or unable" to live up to its 1986 semiconductor agreement with the United States.

Under the 1986 agreement, Japan promised to give U.S. chip makers greater access to Japanese markets and to stop dumping semiconductor products. In exchange, the United States agreed to hold off on steep duties on Japanese semiconductor products. U.S. trade officials have said that they may cancel the agreement if Japan does not do more to help carry it out.

Mr. Smart also criticized what he called Japanese resistance to ending the help of foreign experts in building Kansai Airport, Japan later announced that three American companies had won contracts for the airport project.

He added, "In all of this bluntness speaking, I do not mean to imply that the U.S. side is without fault. But we are facing up to our shortcomings and we will correct them. I hope Japan can do the same. For our relationship depends on it."

Mr. Smart said both nations faced economic peril if high U.S. trade deficits and high Japanese trade surpluses persisted.

"For Japan," he said, "the alternative is to increase domestic consumption, either to replace the declining export opportunities or to increase imports to preserve present export business. There is no other choice except deep recession."

Mr. Smart said the sharp decline in the value of the U.S. dollar and increase in the value of the yen would continue unless both sides "change present practices."

Bonn Revises Trade Surplus Up 2 Billion DM

Reuters

WIESBADEN, West Germany — West Germany's merchandise trade surplus widened 32 percent last year, helped by a steep decline in the cost of oil, revised official figures showed Thursday.

The Federal Statistics Office said the 1986 surplus was a record 112.2 billion Deutsche marks (\$62.9 billion at current exchange rates), compared with 73.4 billion DM in 1985, the previous record. The 1986 surplus was 2 billion DM more than a provisional forecast made earlier this month.

In December, the trade surplus registered a monthly record of 11.6 billion DM, the statistics office said.

Economists expect the volume of West German exports to stagnate or even fall slightly this year because the mark has strengthened sharply against the dollar and other major currencies, making West German goods more expensive in important export markets.



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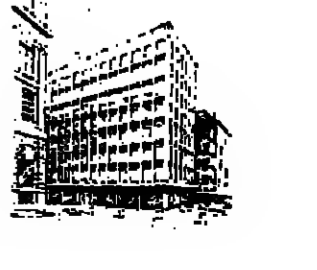
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Markets Closed

Markets in Hong Kong, South Korea, Taiwan, China, Malaysia and Singapore were closed Thursday for the Chinese New Year holiday and will remain closed until Monday.

Vol.	High	Low	Last	Chg.
UCor's	41.00	39.00	39.00	+1/4
AT&T	33.00	32.00	32.00	+1/4
IBM	24.00	23.00	23.00	+1/4
AMC	21.00	20.00	20.00	+1/4
IBM	21.00	20.00	20.00	+1/4
IBM	21.00	20.00	20.00	+1/4
IBM	21.00	20.00	20.00	+1/4
IBM	21.00	20.00	20.00	+1/4
IBM	21.00	20.00	20.00	+1/4
IBM	21.00	20.00	20.00	+1/4
IBM	21.00	20.00	20.00	+1/4

NYSE 4 p.m. volume	255,250,000
NYSE adv. cons. close	23,547,000
Amex 4 p.m. volume	14,320,000
Amex adv. cons. close	1,230,000
OTC 4 p.m. volume	15,040,000
OTC adv. cons. close	1,230,000
NYSE volume up	16,275,000
NYSE volume down	5,317,000
Amex volume up	3,317,000
Amex volume down	63,162,000
OTC volume up	63,162,000
OTC volume down	63,162,000

Composite	High	Low	Close	Chg.
Composite	152.31	151.39	151.19	-0.52
Industrial	187.07	185.74	185.24	-0.23
Finance	117.27	116.24	116.24	-0.18
Utilities	85.25	84.71	84.71	-0.11
Transport	154.16	153.44	153.44	-0.22

Thursday's
NYSE
Closing
Via The Associated Press

Class	24	25	26	27	28	29	30
Advanced	26	26	26	26	26	26	26
Declined	314	314	314	314	314	314	314
Unchanged	314	314	314	314	314	314	314
Total Issues	638	638	638	638	638	638	638
New Issues	314	314	314	314	314	314	314
New Lists	314	314	314	314	314	314	314

Composite	High	Low	Close	Chg.
Composite	112.31	111.39	111.19	-0.52
Industrial	147.07	145.74	145.24	-0.23
Finance	77.27	76.24	76.24	-0.18
Utilities	55.25	54.71	54.71	-0.11
Transport	104.16	103.44	103.44	-0.22

Vol.	High	Low	Last	Chg.
Wells	12.00	11.00	11.00	+1/4
First	11.00	10.00	10.00	+1/4
Bank	10.00	9.00	9.00	+1/4
Trust	9.00	8.00	8.00	+1/4
Life	8.00	7.00	7.00	+1/4
Real	7.00	6.00	6.00	+1/4
Energy	6.00	5.00	5.00	+1/4
Health	5.00	4.00	4.00	+1/4
Technology	4.00	3.00	3.00	+1/4
Telecom	3.00	2.00	2.00	+1/4

Class	Close	Chg.
Govt	92.19	-0.16
Utilities	92.03	-0.11
Industrial	92.03	-0.11

Class	24	25	26	27	28	29	30
Advanced	26	26	26	26	26	26	26
Declined	314	314	314	314	314	314	314
Unchanged	314	314	314	314	314	314	314
Total Issues	638	638	638	638	638	638	638
New Issues	314	314	314	314	314	314	314
New Lists	314	314	314	314	314	314	314

Buy	Sales	Stk's
Jan. 28	218,424	41,449
Jan. 29	204,548	38,428
Jan. 30	201,281	37,547
Jan. 31	201,281	37,547
Total	825,534	155,971

Open	High	Low	Last	Chg.
Index	218.15	217.24	217.24	-1.39
Transp.	276.25	275.36	275.36	-1.29
Finance	122.81	122.17	122.17	-0.19
Utilities	85.25	84.71	84.71	-0.11
Comp.	224.81	224.17	224.17	-0.29

High	Low	Close	Chg.	
Industrial	211.31	210.39	210.19	-0.52
Finance	117.27	116.24	116.24	-0.18
Utilities	85.25	84.71	84.71	-0.11
Transport	154.16	153.44	153.44	-0.22
Comp.	224.81	224.17	224.17	-0.29

Class	24	25	26	27	28	29	30
Advanced	26	26	26	26	26	26	26
Declined	314	314	314	314	314	314	314
Unchanged	314	314	314	314	314	314	314
Total Issues	638	638	638	638	638	638	638
New Issues	314	314	314	314	314	314	314
New Lists	314	314	314	314	314	314	314

High	Low	Close	Chg.	
Index	218.15	217.24	217.24	-1.39
Transp.	276.25	275.36	275.36	-1.29
Finance	122.81	122.17	122.17	-0.19
Utilities	85.25	84.71	84.71	-0.11
Comp.	224.81	224.17	224.17	-0.29

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Prices Decline Slightly

United Press International
NEW YORK — Prices on the New York Stock Exchange posted modest losses in very heavy trading Thursday as investors took profits.

The Dow Jones industrial average fell 3.38 points to close at 2,160.01. In the last hour of trading, futures-related selling drove the blue-chip index from a 7-point gain to an 18-point loss. Late buying trimmed the decline.

Broader market indexes retreated from Wednesday's record levels. The New York Stock Exchange composite index fell 0.53 to 156.19 while Standard & Poor's 500-stock index dropped 1.16 to 274.24. The price of an average share fell 14 cents.

Advancing issues led declines 8 to 7. Volume was 205.2 million shares, up from 195.8 million Wednesday.

"There are bulls and bears and then there are pigs," said James Andrews, who heads the institutional trading desk at Philadelphia-based Janney Montgomery Securities. "It's absolutely incredible. People have been buying and buying and buying and we are close enough to the top that they should consider some serious profit-taking."

Mr. Andrews said Thursday's trading indicated that "the party is over for a few days." He said profit-taking might last only three or four days but could develop into the "beginning of the end of the market for a while."

The market is acting tired," said William LeFevre, senior vice president in market strategy at Advest Inc., based in Hartford, Connecticut. He played down the significance of the market's gains since Friday's decline amid record volatility and volume.

"The market's like a chicken," Mr. LeFevre said. "When you cut its head off, it runs around a while before it finally collapses."

Traders said futures-related buying spurred the market early. But uncertainty over U.S. policy toward the sliding dollar and over the direction of short-term interest rates could stall the rally, they said.

When the Treasury sells \$29 billion of notes and bonds next week, yields on the new securities may have to rise from current levels to attract buyers, analysts said.

"A rise in interest rates is almost guaranteed but new for the [stock] market," said Mr. LeFevre.

United Carbide was the most active NYSE-listed issue, rising 3/4 to 25 1/2. AT&T followed, sliding 1/4 to 32 1/2. It reported a sharp drop in earnings that included previously announced pretax charges of \$3.2 billion.

FMC jumped 3/4 to 30 1/4. Merrill Lynch analyst raised his investment opinion of the company, which Wednesday reported sharply higher earnings.

GenCorp plunged 5/8 to 7 1/8. Westinghouse said it intends to end its agreement to buy GenCorp's Los Angeles television station KHL-TV.

The American Stock Exchange index established a new high, rising 0.31 to 299.80. Prices were narrowly mixed in active trading.

The price of an average share on the American Stock Exchange index rose 3 cents but lost outnumbered gainers 302-297. Composite volume totaled 18.7 million shares, compared with 17,653,100 traded Wednesday.

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.
17	17	AAR	1.40	4.2	12.2	17	17	17	+1/4
17	17	ADD	1.40	4.2	12.2	17	17	17	+1/4
17	17	ADT	1.40	4.2	12.2	17	17	17	+1/4
17	17	AGS	1.40	4.2	12.2	17	17	17	+1/4
17	17	AMC	1.40	4.2	12.2	17	17	17	+1/4
17	17	AMR	1.40	4.2	12.2	17	17	17	+1/4
17	17	ANA	1.40	4.2	12.2	17	17	17	+1/4
17	17	APC	1.40	4.2	12.2	17	17	17	+1/4
17	17	AT&T	1.40	4.2	12.2	17	17	17	+1/4
17	17	AVX	1.40	4.2	12.2	17	17	17	+1/4

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.
17	17	BA	1.40	4.2	12.2	17	17	17	+1/4
17	17	BAC	1.40	4.2	12.2	17	17	17	+1/4
17	17	BAX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBK	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBT	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBW	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBY	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBZ	1.40	4.2	12.2	17	17	17	+1/4
17	17	BBX	1.40	4.2</					

U.S. Airlines Cut Domestic Fares

Compiled by Our Staff From Dispatches
MIAMI — Eastern Airlines and Continental Airlines announced air fares Thursday that they said would undercut existing "super-saver" discount fares by up to 40 percent, apparently igniting a full-scale U.S. fare war. United Airlines immediately said it would match the fare cuts by the two Texas Air Corp. subsidiaries.

The so-called "MaxSaver" fares offered by Eastern and Continental and matched by United will apply to all of the airlines' routes in the continental United States beginning Sunday.

Continental said the new fares would undercut its popular Super-saver fares by 40 percent and regular coach fares by up to 80 percent.

Texas Air, which owns Continental and Eastern, said Eastern would fly travelers anywhere in the country for \$29 to \$99 Mondays through Thursdays and \$39 to \$119 Fridays and Sundays, which are the busiest travel days.

Examples of the off-peak and peak travel fares from Miami were: to New York, \$79 and \$99; to Los Angeles, \$89 and \$99; and to New Orleans, \$59 and \$79.

The special tickets will account for about 40 percent of available seats on Continental's mainland routes, and less than that for Eastern. They may be bought any time up to two days before the flight, airline officials said.

Tickets must be paid for when reservations are made, and they are not refundable. A passenger who cancels or wants to change a flight date loses the full ticket price.

Chrysler, IBM Sign Pact On Plant Technology

DETROIT — Chrysler Corp. said Thursday that its motors division had signed an accord with International Business Machines Corp. to develop plant technology. The technology, described as automatic product identification, would permit the tracking and monitoring of material during manufacturing and make it easier to record information about a product or process, Chrysler said.

Supersaver fares must be bought 30 days in advance, and they carry a 50 percent cancellation penalty. "There's been increasing concern that as the number of airlines shrinks, low fares will go away," said Continental's president, Thomas G. Plaskett. "But the introduction of this new permanent fare will put those fears to rest and give even more people flying even more often."

Texas Air became the largest U.S. airline last year when it took over Eastern, Frontier Airlines and People Express.

Analysts said Continental could undercut the fares of its competitors because its costs are among the lowest in the industry.

The announcements sent airline stocks sharply lower Thursday. Texas Air shares fell \$1.125 to \$44.75 in American Stock Exchange trading.

Eastern has recorded losses totaling \$350 million since 1983. It reported that it lost \$136.7 million in the first three quarters of 1986, and it is almost \$2.5 billion in debt. (AP, Reuters)

Cadbury Against General Cinema Raising Its Stake

LONDON — Cadbury Schweppes PLC said Thursday that it does not want General Cinema Corp. to increase its 8.3 percent stake in the confectionery and beverage company.

In a letter, Cadbury's chairman, Sir Adrian Cadbury, said that "any further increase in your investment would not be welcome."

General Cinema, a leading theater chain and the largest independent soft-drink bottler in the United States, said Monday that it had bought 46.5 million Cadbury shares.

It has also filed for permission from U.S. regulators to buy up to 25 percent of Cadbury, but has said it would not make a takeover offer for at least a year.

Siemens Says Group Net Decreased by 4% Last Year

By Ferdinand Proczman
International Herald Tribune

FRANKFURT — Siemens AG, West Germany's largest electronics concern, said Thursday that worldwide group net profit fell 4 percent in fiscal 1986 to 1.47 billion Deutsche marks (\$830 million) from 1.53 billion DM the previous year.

As previously reported, Siemens's worldwide group sales fell 14 percent in the fiscal year ended Sept. 30 to 47.1 billion DM from 54.7 billion the previous year.

In line with the drop, the company said Thursday that it would pay a dividend of 12 DM a share, unchanged from fiscal 1985.

Dividend payments will total 576 million DM for fiscal 1986, up from 573 million DM a year earlier.

The company did not give a complete breakdown of earnings and sales. Those figures will be made public next week. Group figures include results of all Siemens majority-owned subsidiaries around the world.

A stock analyst at Westdeutsche Landesbank said the lower profit and unchanged dividend matched market expectations.

Karlheinz Kaske, the Siemens managing board chairman, predicted in July that sales would be off on the year because of the lower dollar and a sharp fall in orders at the company's Kraftwerk Union AG subsidiary, which builds nuclear power stations. The unit is known as KWU.

Siemens said it planned to absorb KWU, which has operated as an independent company, into the parent company in October.

In addition, a Siemens spokesman said the company was acquiring full ownership of Transformation Union AG from the AEG AG electrical group. Siemens already holds 75 percent of TU.

No price was given for the TU acquisition, which must be approved by the West German cartel office. If it is, the takeover will go into effect April 1.

COMPANY NOTES

Buitoni SpA, one of Italy's leading food-processing companies, has acquired control of Sasso & Figli, an Italian family olive oil concern. The value of the transaction was not disclosed.

Casio Computer Co. will make a one-for-20 bonus stock issue on April 21 to shareholders registered on March 20, to repay some of the premiums from fund raisings before 1986. The bonus issues will bring Casio's outstanding shares to 239.44 million from 228.03 million.

City Resources Ltd. has sold its 15.3 percent stake, or 33.1 million shares, in Elders Resources Ltd. to overseas institutional investors. Elders' managing director, Geoff Lord, said in Sydney. He declined to identify the institutions but described them as long-term shareholders.

Echo Bay Mines Ltd. reported that 1986 net profit rose 96 percent to \$25.9 million, or 61 cents a share, compared with \$15.2 million, or 38 cents a share, in 1985. The Canadian company expects 1987 gold production to increase by 50 percent over 1986.

Gallagher Ltd., a subsidiary of American Brands Inc., said tobacco trading profits rose 20 percent in 1986 and other sectors rose 5 percent, putting pretax profit at \$117.4 million (\$179.6 million) against \$109.7 million in 1985.

Maclean Hunter Ltd., Canada's biggest publishing group, said operating profit for the full year rose 17 percent to \$9.3 million Canadian dollars (\$53.3 million) from 59.4 million dollars a year earlier. The 1985 results excluded a 5.2 million dollar extraordinary gain.

Suzuki Motor Co. has begun production in Colombia with a lo-

cal concern, Fábrica Colombiana de Automotores SA. The venture is expected to produce 3,000 compact cars this year and 5,000 next year. Fábrica Colombiana is 85 percent owned by General Motors Co., which has a 5 percent interest in Suzuki.

Swissair reported a 2 percent increase in passengers in 1986 to 7.24 million, but said its occupancy rate slipped to 62 percent from 64 percent in 1985. The airline said financial results, to be published later, were "generally higher."

Banque Paribas, part of the Cie. Financière de Paribas financial group that is being denationalized by France, will call an extraordinary general meeting to seek authorization to raise its capital and make a bond issue with share warrants.

Jacobs Suchard Gains Côte d'Or

BRUSSELS — Côte d'Or Belgique SA, Belgium's leading chocolate group, has accepted a takeover bid from Jacobs Suchard SA of Switzerland, the Côte d'Or board said Thursday.

It said it had accepted the Jacobs Suchard offer over a takeover bid from Nestlé SA, also of Switzerland. Both bids were made this week. The price was not disclosed.

Earlier this week, Jacobs Suchard abandoned a three-week takeover battle for Hero Conserven Lenzburg, a Swiss manufacturer of preserved foods. Jacobs Suchard recently took over the U.S. confectioner E.J. Brach.

New Issue
 January 30, 1987

This advertisement appears as a matter of record only.

EUROPEAN INVESTMENT BANK Luxembourg

DM 300,000,000
 6% Deutsche Mark Bearer Bonds of 1987/1997

Offering Price: 100%
 Interest: 6% p.a., payable annually on January 30
 Maturity: January 30, 1997
 Listing: Frankfurt am Main, Berlin, Düsseldorf, Hamburg and München

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Commerzbank Aktiengesellschaft	Westdeutsche Landesbank Girozentrale

Arab Banking Corporation - Daus & Co. GmbH
 Bank für Gemeinwirtschaft Aktiengesellschaft
 Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft
 Joh. Berenberg, Gossler & Co.
 Bankhaus Gobröder Bethmann
 Dejwa Europe (Deutschland) GmbH
 DG Bank
 Deutsche Genossenschaftsbank
 Georg Hauck & Sohn Bankiers Kommanditgesellschaft auf Aktien
 Landesbank Rheinland-Pfalz - Girozentrale
 Merck, Finck & Co.
 Norddeutsche Landesbank - Girozentrale
 Schweizerischer Bankverein (Deutschland) Aktiengesellschaft
 Vereins- und Westbank Aktiengesellschaft

Baden-Württembergische Bank Aktiengesellschaft
 Bank of Tokyo (Deutschland) Aktiengesellschaft
 Bayerische Landesbank Girozentrale
 Berliner Bank Aktiengesellschaft
 Citibank Aktiengesellschaft
 Delbrück & Co.
 DSL Bank
 Deutsche Siedlungs- und Landesrentenbank
 Hessische Landesbank - Girozentrale
 Landesbank Saar Girozentrale
 B. Metzger soel, Sohn & Co.
 Sel. Oppenheim jr. & Cie.
 Simonbank Aktiengesellschaft
 M. M. Warburg-Brinckmann, Wirtz & Co.

Badische Kommunale Landesbank - Girozentrale - Bankers Trust GmbH
 Bayerische Vereinsbank Aktiengesellschaft
 Berliner Handels- und Frankfurter Bank
 CSFB-Effektenbank
 Deutsche Girozentrale - Deutsche Kommunalebank - Hamburgische Landesbank - Girozentrale - Bankhaus Hermann Lampe Kommanditgesellschaft
 Mercard, Stein & Co.
 Morgan Guaranty GmbH
 Schweizerische Bankgesellschaft (Deutschland) Aktiengesellschaft
 Trinkaus & Burkhart KGaA
 Westfalenbank Aktiengesellschaft

SONY: Familiar Fight

(Continued from first finance page)

camcorders for sale by other companies, as does Hitachi, another large Japanese electronics concern. "Matsushita and Hitachi have made a commitment, tooled up and invested millions of dollars in 8-mm technology," Mr. Meltzer said.

As a result, Sony thinks Matsushita and others will come into the market eventually, probably when sales of VHS videocassette recorders peak and consumers begin looking for the next generation of video equipment.

Many video experts believe that 8-mm holds a slight advantage over VHS-C in terms of picture quality and ability to build in further advances in recording technology. "VHS-C probably inherently doesn't have the quality of 8-millimeter," said David Lachenbruch, editorial director of Television Digest, a trade publication. "But VHS had a somewhat poorer picture than Beta, and that didn't interfere with VHS's success."

Now another technology has emerged. Samsung, the South Korean electronics concern, unveiled a 4-mm camcorder at the electronics show and announced plans to introduce it this summer.

Japan Awards Work at Airport To 3 U.S. Firms

Agence France-Press

TOKYO — Three U.S. companies have won contracts to help build an international airport in western Japan, officials in Tokyo said Thursday.

The three companies are Delnote Co., Renord Inc. and Caterpillar Corp., the officials said. A U.S. consulting company, Bechtel Civil Inc., won a contract last week.

Japanese reluctance to grant contracts to foreign companies for the Kansai offshore airport project in Osaka Bay has been an issue in relations with the United States. Congress has pointed to Japan's exclusion as a classic case of blocked access to markets, a charge it says is underlined by the country's huge trade surplus with the United States.

The contracts won by the four U.S. companies are worth 13.12 billion yen (\$87 million), sources said.

Work to reclaim part of the bay for the airport construction started this week.

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Arab Banking Corporation

Head Office - Bahrain

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Our new telephone numbers will be:

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MARKETABLE SECURITIES	: 523241
COMMERCIAL BANKING	: 533051
TELEFAX	: 530110/533062


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 The bank with performance and potential.

NEW ISSUE
 November 1986

This announcement appears as a matter of record only.



European Economic Community

ECU 50,000,000
 7 3/8 % Bonds 1986-1991

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Banque Internationale à Luxembourg S.A.	Caisse d'Épargne de l'État Banque de l'État, Luxembourg	Kreditbank S.A. Luxembourg
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Commerzbank International S.A.	Den norske Creditbank (Luxembourg) S.A.	Deutsche Bank Compagnie Financière Luxembourg
Kansallis International Bank S.A.	Société Générale Alsacienne de Banque Luxembourg	
Banca Popolare di Novara Luxembourg	Banco di Roma International S.A.	Banco di Santo Spirito (Luxembourg)
Banque Nationale de Paris (Luxembourg) S.A.	Bayerische Landesbank International S.A.	Banque Indosuez Luxembourg S.A.
Compagnie Luxembourgeoise de la Dresdner Bank AG - Dresdner Bank International -	Crédit Lyonnais Luxembourg	
Den Danske Bank International S.A.	DG Bank International	Helaba Luxembourg Hessische Landesbank International S.A.
Landesbank Rheinland-Pfalz International S.A.	PKbanken International (Luxembourg) S.A.	
Société Européenne de Banque S.A.	Union Bank of Finland International S.A.	
WestLB International S.A.		

Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 Week High/Low, Open, Close, Chg.

(Continued)

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U.S. Futures

Via The Associated Press

Jan. 29

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Grains

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Metals

COPPER (COMEX)

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Stock Indexes

NYSE COMP. INDEX (NYSE)

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Brazil Offers to Yield Part of Its Coffee Quota

LONDON — Brazil says it will give up one million bags of its coffee export quota...

Quito Sets Debt Ceiling Of 30% of Export Value

QUITO, Ecuador — Ecuador, Latin America's eighth-largest debtor, said Thursday that it would limit payments in its foreign debt to 30 percent of the value of its exports...

Paris Commodities

Table with columns: High, Low, Bid, Ask, Chg.

London Commodities

Table with columns: High, Low, Bid, Ask, Chg.

Dividends

Table with columns: Company, Dividend, % of Price, Ex. Date, Pay. Date.

Spot Commodities

Table with columns: Commodity, Today, Prev.

Company Results

Table with columns: Company, Revenue, Profit, Per Share.

London Metals

Table with columns: Metal, Price, Chg.

US Treasuries

Table with columns: Maturity, Yield, Price.

S&P 100 Index Options

Table with columns: Strike, Call, Put, Bid, Ask, Chg.

DM Futures Options

Table with columns: Strike, Call, Put, Bid, Ask, Chg.

Large advertisement for ABC PRO featuring a woman's face and the text 'EARNINGS REPORT', 'AT&T, Res', 'Posts \$1.1', 'Profit Feb', 'Returns to Pro', 'Has Tumbled 88', 'Educat', 'Royalty'.

AT&T, Restructuring, Posts \$1.17 Billion Loss

NEW YORK — American Telephone & Telegraph Co. said Thursday that it recorded a loss of \$1.17 billion in the fourth quarter because of the costs of a massive restructuring plan...

JWT Dismisses Ad President

NEW YORK — JWT Group Inc. said Thursday it had dismissed John Peters, the president and chief operating officer of its J. Walter Thompson advertising unit...

Du Pont Names Woolard President

By Arthur Higbee International Herald Tribune Edgar S. Woolard Jr. has been promoted to president and chief operating officer of Du Pont Co. and Constantine S. Nicandros to president and chief executive officer of Du Pont's Conoco Inc. subsidiary.

Mr. Heckert stepped up to the chairmanship. Mr. Woolard, a 1956 graduate of North Carolina State University, joined Du Pont in 1957...

Forstmann Little & Co., a New York investment firm that specializes in leveraged buyouts, has promoted Steven B. Klinsky, 30, from associate partner to general partner.

Canada Names Financial Chief

OTTAWA — The Canadian government has appointed Michael A. Mackenzie, a partner in the Clarkson Gordon accounting firm of Toronto, to the new position of superintendent of financial institutions.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Xerox Profit Fell 45% in 4th Period

STAMFORD, Connecticut (UPI) — Xerox Corp. said Thursday that its fourth-quarter net income fell 45 percent from a year earlier, to \$87 million, or 77 cents a share, from \$156 million, or \$1.49.

Dow Returns to Profitability in Quarter MIDLAND, Michigan (AP) — Dow Chemical Co., the big U.S. producer, said Thursday that it had a \$168 million profit in the fourth quarter after a loss a year earlier.

Phillips Tumbled 88% in 4th Quarter

BARTLESVILLE, Oklahoma (UPI) — Phillips Petroleum Co., the eighth-largest U.S. oil company, said Thursday that its fourth-quarter earnings plummeted 88 percent from a year earlier because of the dramatic drop in crude oil prices.

Table with multiple columns listing company names (e.g., Gollhofer, Lorho, Du Pont Canada, Bank Leu, United States, Amer. Tel. & Tel., AMP, Baker Int'l, Bell Atlantic, Colort, Mobil, Newmont Mining, Norfolk Southern, Phillips Petroleum, Phillips Morris, Quaker Oats) and their financial data for 1986 and 1985.

AIRLIFT: To Beat Tariff Deadline, EC Producers Rush Beverages to U.S.

(Continued from Page 1) pose 200-percent tariffs by Jan. 30 unless a solution were reached. The tariffs cover a range of EC farm products, including brie and soft-ripened cheeses.



Ted Palmer, left, James Burrough PLC's export director, and Norman Burrough, its chairman, sniff gin in a quality test in London.

looks like there will be more protectionism and we will all be the poorer for it. We haven't seen anything like this since the '30s.

ABC More interesting facts day by day. Educational level of regular ABC readers, Reading environment of regular ABC readers, Loyalty rating of regular ABC readers. Includes bar charts and text about ABC newspaper.

Investment Strategies & Opportunities on the Paris Stock Exchange. An International Conference Sponsored by International Herald Tribune & French Company Handbook. Paris, February 9-10, 1987.

Thursday's AMEX Closing

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Open, Close. Lists various stocks and their prices.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Open, Close. Lists various stocks and their prices.

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Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Open, Close. Lists various stocks and their prices.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 29 Jan 1987

Large table listing various international funds with columns for fund name, share price, and other details.

Aide Sees 20% Shrink In '87 U.S. Trade Deficit

WASHINGTON — The U.S. trade deficit should shrink 20 percent in 1987, but only if the government cuts the federal budget deficit, says Ronald Reagan's Council of Economic Advisors.

AMEX Highs-Lows

Table showing AMEX Highs-Lows for various stocks.

Floating-Rate Notes

Table listing floating-rate notes with columns for currency, coupon, and bid/ask prices.

Pounds Sterling

Table listing Pounds Sterling notes with columns for issuer, coupon, and bid/ask prices.

Deutsche Marks

Table listing Deutsche Marks notes with columns for issuer, coupon, and bid/ask prices.

Vertical advertisements on the right margin including 'EUROBONDS BY CARL GEWIRTZ IN THE HT EVERY MONDAY PLUS AN EXCLUSIVE LISTING OF 200 EUROBOND PRICES' and 'AMERICAN OVERSEAS INVESTMENT CORP'.

Dollar Ends Higher in N.Y., Europe

Reverses LONDON — The dollar closed marginally stronger Thursday in erratic trading in Europe and New York as dealers hedged their positions before the release of December figures on the U.S. trade deficit.

London Dollar Rates

Table with columns: Currency, Bid, Ask, Bid, Ask. Includes Deutsche mark, Swiss franc, French franc.

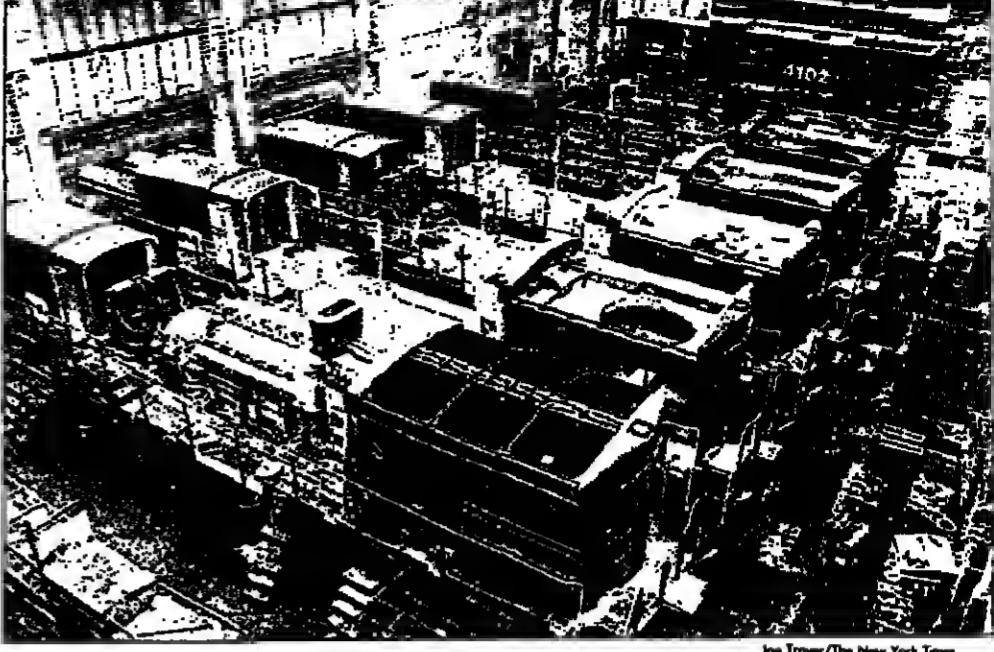
the G-5 would call a meeting, European dealers said. Although there has been no official word from any of the five governments involved to substantiate the rumors, the mere possibility that the ministers might meet and agree to brake the dollar's decline is helping to deter heavy selling, dealers said.

Fed, Japan Said To Buy Dollar To Boost Yen

The Associated Press TOKYO — The U.S. Federal Reserve intervened along with the Bank of Japan to stabilize the dollar's value by buying the U.S. currency Wednesday in New York, sources say.

GE: After \$500 Million Outlay, Automation Showcase Is 'a Big Engine Idling'

(Continued from first finance page) demand, either through new features or a lower price. "They didn't change the name of the game," Mr. Wallace said.



Diesel engines on the assembly line at the Erie transport systems plant.

Neither Mr. Wallace nor any other consultant is saying it is easy to parlay a modernization program into radical market gains. Such blue-chip corporations as International Business Machines Corp. and John Deere & Co. have been plagued by weak sales in typewriters and tractors after investing huge sums in modernization projects that rank as major engineering achievements.

THE EUROMARKETS

Currency Fears Inhibit Secondary Market

By Dominique Jackson Reverses LONDON — Eurobond prices ended barely changed Thursday after a day of this and hesitant trading. Dealers said that currency worries continued to inhibit investor activity.

Landesbank Rheinland-Pfalz Girozentrale issued 40 million Australian dollars worth of 14% percent bonds due 1990 at a price of 101 1/4. The issue, led by Banque Paribas Capital Markets, generated surprise among dealers because of the recent glut of Australian paper.

ing when-issued trading on Wednesday. The day's other issue emerged as a 90 million Canadian dollar deal for the Belgian rail system, Societe Nationale des Chemins de fer Belges, launched by LTCB Intercontinental. The non-callable issue carries a coupon of 8% percent and is priced at 101 1/4.

ACCORD: EC, U.S. in Pact

(Continued from first finance page) to retaliate against such U.S. measures. Diplomats from both sides shied away from putting a dollar value on the four-year accord, but it appeared to be a generous package for America.

The biggest error, however, was underestimating the impact of gains in productivity by the domestic railroads. Deregulation has enabled them to abandon peripheral routes, schedule their existing locomotive fleet more efficiently and capitalize on the performance of the newest generation of engines.

Thursday's OTC Prices NASDAQ prices as of 4 P.M. New York Time. Via The Associated Press.

Table of OTC prices for various stocks, including ADC, ADI, AET, etc.

Table of stock prices for various companies, including 21st Century, 21st Century, etc.

Table of stock prices for various companies, including 21st Century, 21st Century, etc.

Table of stock prices for various companies, including 21st Century, 21st Century, etc.

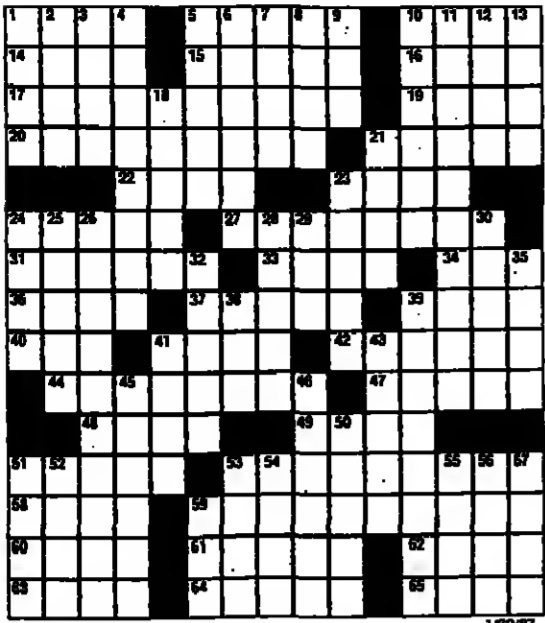
Table of stock prices for various companies, including 21st Century, 21st Century, etc.

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Notes on the OTC prices table, including symbols for dividends, splits, and other market events.



ACROSS

1 Heroic
5 Strong, light
10 "Who... ambition shun...
14 ... style
15 Willow
16 Field unit
17 Waterfront
19 Authentic
20 Capital of Victoria
21 Wet, spongy land
22 White-tailed bird
23 Pig or sheep follower
24 Trap
27 Publications
31 Calfire
33 Mouthward
34 Petroleum
36 "East of Eden" temptress
37 Consumers' advocate
38 Verdi opera
40 Ad committee
41 Air: Comb. form
42 Capital of New South Wales
44 Capital of Queensland
47 Auspices
48 See
49 Of churches: Abbr.

DOWN

1 Dutch cheese
2 Wan
3 Image of a divinity
4 Capital of Australia
5 Ship's petty officer
6 "To tame...
7 Fierce feline
8 Dried up sole
9 Exist
10 Capital of Northern Territory
11 Like liners
12 Trolley, in England
13 Assistance
18 Made a gusset
21 Loss traction
23 Twinklers
24 Former Iranian ruler
25 Man of great wealth
26 U.S.A.F. member
28 He sculpted
29 Wrath
30 Part of a cassette
32 ons (singly)
35 Ballads
38 Constellation
39 Capital of South Australia
41 Vipers
43 America's Cup competitor
45 The Continent (Australia)
46 Certain fisherman's trap
50 Metallic, jangling sound
51 Word with back, penny or sole
52 Spread on bread
53 Portend
54 Arabian bigwig
55 Baseball stats
56 Blueprint
57 "Auld Lang Syne"

© New York Times, edited by Eugene Malinka.

PEANUTS



BLONDIE



BEEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

TIFUR

DUIHM

LUMEFF

CLAICO

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: IT THEM

Yesterday's Jumble: SCOUT BATH NESTLE WEASLE
Answer: She dated off my neck who could pass this — THE "ASSET" TEST

WEATHER

EUROPE		ASIA	
High	Low	High	Low
Algeria	14-27	14-27	14-27
Austria	14-27	14-27	14-27
Belgium	14-27	14-27	14-27
Denmark	14-27	14-27	14-27
France	14-27	14-27	14-27
Germany	14-27	14-27	14-27
Greece	14-27	14-27	14-27
Italy	14-27	14-27	14-27
Japan	14-27	14-27	14-27
Spain	14-27	14-27	14-27
UK	14-27	14-27	14-27

World Stock Markets

Via Agence France-Press Jan. 29
Closing prices in local currencies unless otherwise indicated.

Market	Index	Change
Amsterdam	4047.78	+27.28
Brussels	4047.78	+27.28
Frankfurt	4047.78	+27.28
London	4047.78	+27.28
Paris	4047.78	+27.28
Stockholm	4047.78	+27.28
Zurich	4047.78	+27.28

BOOK BRIEFS

OVERFLIGHT, by Charles Neider. New Horizons, 156 Fifth Avenue, New York 10019. 218 pp. \$14.95.

Charles Neider is a Mark Twain scholar and inveterate traveler to Antarctica. In the latter capacity he has written one of the best books about the remotest continent, "Beyond Cape Horn: Travels in the Antarctic." His latest work, "Overflight," is a novel set in the same locale. Perhaps inevitably, its plot centers on that quintessential antarctic enterprise, survival.

The title refers to those specials allowing passengers to peer out of plane windows at the human habitations of McMurdo Station and at the raw grandeur of 12,500-foot-high Mount Erebus, an active volcano. Invited to be the commentator on one such trip, Joel Stevenson, Neider's narrator, a fiftyish historian, survives a crash, then accedes to requests from the families of two dead fellow-passengers: He will return to the crash site by helicopter and scatter the victims' ashes. Caught in a downdraft, the helicopter crashes, too. Stevenson and three others live — only to face the prospect of temperatures down to 40 below. Good as Neider's account of the first disaster was, the second episode is better.

"Overflight" is imperfect. Stevenson remains an obscure figure throughout, and his perfunctory love affair with a nurse 20 years his junior seems a sop thrown to romantic readers. But these flaws pale next to the vividness of Neider's scene painting, the authenticity of his crisis psychology (he himself survived a helicopter crash on Erebus) and the intensity of his passion for Antarctica.

(Dennis Drabell, WP)

PALEIS-ROYAL, by Richard Sennett. Alfred A. Knopf, 201 East 58th Street, New York, N.Y. 10022.

In his third novel, Richard Sennett proposes to tell the story of two brothers entirely through letters, diary entries and other found bits of writing. The backdrop is 19th-century Paris and London; the characters, Frederick and Charles Courland, sons of a good English family — the first, a precocious and somewhat arrogant young architect; the second, a lapsed minister given to moody ruminations about faith and doubt and the state of his own soul.

The story, briefly, is this. Frederick — whose precocity and struggles with Establishment powers recall qualities of earlier Bennett heroes — has been summoned to France by one of that country's leading architects to assist in the building of the Galerie d'Orleans in the gardens of the Palais-Royal. While enjoying the distractions of Paris, Frederick meets Anne Marcorne, a spirited actress, with whom he falls in love — the two will wind up living together, though they will never marry. His brother Charles, who has followed him to Paris, soon becomes friends with Anne, Anne's daughter from a former liaison, and the two gradually begin a rewarding intellectual and spiritual exchange.

Though Sennett has done a painstaking job of orchestrating historical details and an adequate job of simulating authentic-sounding 19th-century voices, he fails to take full advantage of the narrative benefits afforded by the epistolary form — its capacity to depict varying points of view and to emphasize the ambiguities of truth created by subjectivity and missed connections. Perhaps as a result, the characters seem a fairly boring lot, defined by one or two italicized traits and propelled along all too predictable tracks. In the end, these characters may succeed in teaching us something about 19th-century Paris, but they do little to engage our attention as palpable human beings.

(Michiko Kakutani, NYT)

FALSE PROPHECIES, by Alexander Kohn. Basil Blackwell, 432 Park Avenue South, New York, N.Y. 10016.

Among the many scientists and doctors whose names adorn the pages of "False Prophecies," I have found myself haunted by three in particular: Johnson S. Caulder, Ph.D.; Lawrence D. Bergmann, M.D.; and Myron C. Filstein, M.D. All three are thanked at the end of a paper published in the New England Journal of Medicine in 1981 — Caulder "for performing the amino acid analyses," Bergmann "for obtaining the heart tissue during pacemaker placement," Filstein "for referring several family members" — and they sound a solid enough trio. The only trouble is that none of them actually exist; they were being invoked to prop up a series of findings which were themselves in all probability fictitious.

Deceptions as blatant as this are — as far as anyone can tell — rare in the annals of science; but they represent only one end of a broad spectrum of possible scientific cheating. At the other extreme are errors that are at least partly the product of wishful thinking or a failure to guard against bias; in between come numerous gradations of what the Victorian scientist Charles Babbage classified as "trimming" and "cooking" (manipulating the data, suppressing inconvenient facts), along with plagiarism, making bogus claims about the probable course of research and the more subtle varieties of Babbage's third category of misconduct, outright "forging."

In "False Prophecies" Alexander Kohn surveys the entire field of dishonesty in the natural sciences and medicine, with a side glance at archaeology, paleontology and one or two other branches of scholarship. Kohn tells his story well.

(John Gross, NYT)

BRIDGE

By Alan Truscott

HISTORICALLY speaking, neither tennis nor bridge have been popular in Germany. But the changing pattern in tennis, exemplified by Boris Becker and Steffi Graf, may soon be matched in bridge, judging from some evidence from the 1986 world championships in Miami.

Ron Andersen of Dallas, who has one of the world's largest collections of master points, suffered a crushing defeat in a match in which he faced Basim Zenkel and Daniela Varrin.

"To be bright, personable young distractions for all their male opponents... but they are really dangerous, aggressive, fine bridge players who should be required to warn their opponents."

As evidence Andersen cited the diagrammed deal on which he and his partner, Mark Lair, reached a normal three no-trump contract. The two-diamond rebid by North was artificial, "new minor forcing," asking South for further information.

The routine lead of the diamond four would have permitted the game to succeed, for Lair as declarer would have been able to win with the jack in dummy. Then he would have driven out the club ace and East would never have gained the lead to continue diamonds.

But Miss Varrin, playing West, knew that her partner was almost sure to be careless. She therefore produced the diamond ace, hoping that dummy would provide a clue about to do next. It did and she followed with the diamond

queen, hoping that her partner held the ten.

She did, and the game was duly defeated with the diamond ace score of three diamond tricks as well as the two black aces.

NORTH
♠ Q J 8 5
♥ A Q 4 2
♦ A Q J 4
♣ Q J 4

EAST
♠ A 5 3 2
♥ 7 4 3
♦ 10 7 5 4
♣ A 8 7

SOUTH (D)
♠ A K 10 7
♥ K 8 3
♦ K 9 2
♣ K 10 8 5

Both sides were vulnerable. This bidding:

South	West	North	East
3NT	Pass	2NT	Pass
4NT	Pass	2NT	Pass
5NT	Pass	2NT	Pass
6NT	Pass	2NT	Pass

West led the diamond ace.

سكزانت الامل

SPORTS

Kookaburras Paid the Price for Success

By Angus Phillips

WASHINGTON Post Service. FREMANTLE, Australia — One of the mysteries of the 1987 America's Cup final is how the Australian entry, working in its backyard, managed to spend \$5 million more than the U.S. challenger, campaigning halfway around the world.

Skipper-designer Iain Murray, right, "can plan something, make a change and then feel through the helm what it means to the boat," said Kookaburra II tactician Peter Hollis. "No one else has that."



change and then feel through the helm what it means to the boat," said Kookaburra II tactician Peter Hollis. "No one else has that."

If its hull is conventional compared with that of Stars & Stripes, Kookaburra II's keel is an advance that started a trend in Fremantle. Its wide, swept-back wings spawned imitators in Heart of America and Steak 'n' Kidney, both of which improved dramatically after going to big wings early in the trials.

Kookaburra II also advanced the state of the art of onboard computers, installing 400 pounds (181 kilograms) of batteries and a Digital MicroVax II computer that gives constant readouts on weather patterns, navigation information, sail trim, tactical options and wind conditions, along with scores of other functions.

The Kookaburra camp is different from that of any other 12-meter operation in that practically everything is built and serviced within the camp. From hulls to keels to masts to sails, by a 107-member staff, it is the biggest in the cup competition.

Whether bigger and more expensive is better and faster is yet to be determined. Marshall, for one, wasn't overconfident.

"We know a lot about how they got where they are," he said, "but you have to measure the result, not the process."

Kookaburra III, Murray's green-gold 12-meter, had a summer of hard, close racing against Kookaburra II and rival Australia IV from capholder Alan Bond's camp.

But after a new keel was fitted in December, Kookaburra III found a burst of speed and went on to beat Australia IV, 5-0, in the final trials to pick a defender.

On Saturday, Kookaburra III will go against Conner's Stars & Stripes in the first race of the best-of-seven series for yachting's top prize. After looking over both hulls at official measuring sessions this week, Murray said there were enough differences that "someone's right and someone's wrong."

Both camps came to the same conclusion about size. There probably isn't more than a few inches in waterline length and a few hundred pounds in weight separating the two, with both boats on the big side of moderate.

But there the similarity ends. Stars & Stripes has a radical, bulbous hull shape below the water, whereas Kookaburra III evidently has the cleaner, graceful lines of a more conventional 12-meter stretched out to larger size, coupled with a high-tech keel with wide wings on the bottom.

The result is a boat that will turn and maneuver better than Stars & Stripes, according to prevailing wisdom.

It is "well-balanced and tacks beautifully," said Van Oossanen. "I've never seen a boat tack so quickly and lose so little speed in tacking."

The combination of smooth, graceful lines and an efficient winged keel gives Kookaburra III strong performance downwind, unlike Stars & Stripes, but it could be vulnerable on upwind legs on which the U.S. boat is extremely fast and stable.

The actual lines of Kookaburra III have to be largely guessed at, because it remains shrouded in secrecy behind locked doors and privacy skirts at the Kookaburras' well-guarded compound.

But Murray has said frequently that it is a fine performer in all weather conditions, and results so far back that up.

John Marshall, the Harvard-educated design coordinator of Stars & Stripes, gives Murray much of the credit for Kookaburra III's design success.

"He designed all his own 18-foot skiffs," Marshall said of the six-time world champion in the Australian 18 class, "and that's a highly competitive class with a lot of very advanced technology."

Murray, 28, studied naval architecture for one semester but quit to go out and design boats. The bookwork was boring, he said, compared with the thrill of designing a winner by the seat of his pants.

Murray had help designing the Kookaburras from naval architects John Swarbrick and Alan Payne, plus the computer and tank-testing work of Van Oossanen. But most sailors in the camp say the ideas came from the skipper.

"He can plan something, make a



Tamara McKinney sped through the fog at Crans-Montana, taking the lead with a first-run time of 42.56 seconds.

McKinney Sweeps To Slalom Victory At Championships

By Piero Valsecchi

CRANS-MONTANA, Switzerland — Tamara McKinney of the United States, with the fastest time in each run, swept to victory Thursday in the slalom part of the women's combined competition at the Alpine Ski World Championships.

Later in the day, men's superstar Marco Girardelli injured his left shoulder in downhill training and, with many skiers complaining about conditions on the course, organizers switched the men's combined downhill from Friday to Sunday.

McKinney, the 1983 World Cup overall champion, was timed 42.56 seconds for the first run. Then, with a flying finish, she recorded 42.62 on the second run down the Chetrou course. Her total, 1 minute 25.18 seconds, was almost a full second faster than that of Swiss skier Marie Perrenoud.

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The defending World Cup overall champion, Maria Walliser of Switzerland, was disqualified from the combined for missing a gate during the first run.

The downhill part of the combined was to be run Friday. McKinney will need every bit of her slalom advantage to win the World Cup downhill this season, while Hess is a stronger downhiller and downhill points count more than slalom points in the complex combined scoring formula.

"I tried to pile up the maximum possible advantage in slalom," said McKinney. "I know I'm not really good in downhill."

Snow on Wednesday postponed the women's combined downhill until Friday, when it was to be part of a combined doubleheader.

The snow stopped overnight, but the problem Thursday was fog, which covered the middle part of the course in the first run. That was where Walliser missed the 22d gate on her way to a relatively slow 47.57. The judges disqualified her after reviewing videotapes of the race.

In the second run, the fog had moved up the mountain and clouds covered most of the course. But through both sun and shadow, McKinney was the swiftest.

She shot out of the chute in the first run to clip three-quarters of a second off the fastest previous time for the top of the course and eased across the finish line for the lead.

McKinney had taken more than a second off Sylvia Eder's then-fastest time, but she was still making up a .02-second deficit to her Swiss opponent at the top.



Jean-Claude Killy

Killy Resigns Olympic Post

United Press International

PARIS — Jean-Claude Killy resigned Thursday as president of the organizing committee for the 1992 Winter Olympic Games in the French Alps, only 17 days after taking the job.

Killy, winner of three skiing gold medals at the 1968 Olympics in Grenoble, quit in the midst of a controversy over his decision to move the men's slalom race from Tignes to his hometown of Val d'Isere, and the women's downhill and super giant slalom from Méribel to Meribel.

The moves drew strong protests from the mayors of the towns that lost the events.

Killy's spokesman announced the resignation in Geneva.

"I wanted to organize games for sport and for the athletes and above all within the framework of economic reality," Killy's statement said. "This seems to me to be no longer possible. I will leave my place to those who think differently."

Killy said he would attend a meeting of Savoie region mayors, which is scheduled for Thursday at Chambéry, but that he decided to resign in advance "so as not to leave the impression of backing down from the mayors."

The decision to move the races was announced Tuesday, and described as a means of cutting costs and helping concentrate events that were scattered around the Alpine region in eastern France.

The mayors of the region's ski resort towns then complained that they had not been informed in advance of the decision.

Albertville mayor Henry Dujol said it was "regrettable that resorts that have worked on the Olympic bid for four years are brutally put aside. I fear such a decision will pit the mayors of the resorts against each other."

The French National Olympic Committee president, Nelson Pailhoux, said he would not intervene in the dispute.

Super Winner, Super Loser

By Thomas Boswell

WASHINGTON Post Service

WASHINGTON — Something in the nature of the National Football League doesn't love a close Super Bowl game. Just as curious, there's some perverse force that doesn't love the team that wins a runaway.

What everyone has been noticing for XXI years is that Super Bowl games seldom have a fourth quarter, the issue having been settled by then. Even rival television networks anticipate this, and schedule movies to begin an hour before the game is due to end.

While most know that 15 Super Bowls have been decided by double-digit margins, and that only four by fewer than seven points, there is an unknown corollary: the larger the margin of victory, the worse the winner does the following season.

The New York Giants should enjoy their hour of glory. Here's why.

The last 10 teams who did what the Giants did — win a Super Bowl by more than two touchdowns — fumbled the next season. Not one of the 10 repeated as champion. Only one reached its conference championship game. Two had losing records. Another missed the playoffs.

When you win the ultimate game in ultimate fashion, what do you do for an encore? Usually, rest on your laurels, become a celebrity, and fall flat on your rich and famous face.

Perhaps the Chicago Bears' William Perry was the best illustration of what Super Bowl success does to players who attract such attention.

Perry did print advertisements for Alberto-Culver, Georgia Pacific, Mr. Paper Towel, Long Underwear, Hair Care Products, Duke Manufacturing, Levi-Strauss, Shakespeare, Drexel Burnham and Carrier Transcold. The 300-pound (136-kilogram) Bear banked \$300,000 for an appearance at Westcott 2 — where he was picked up and thrown out of the ring by Big John Studd, who is 6 feet 10 inches (2.08 meters) and weighs 367 pounds.

Expected Boom Has Been a Bust for Swiss Resort

The Associated Press

CRANS-MONTANA, Switzerland — For shopkeepers and hotel owners in this Swiss resort, the Alpine Ski World Championships have failed to bring the anticipated economic boom.

Only half of Crans-Montana's 30,000 hotel and apartment beds were booked for the first week of the championship, mainly by racers and the news media, according to the tourist office.

Bookings are full for the big tourist season, which starts immediately after the championship with school winter vacation and runs until mid-March, a tourist office spokeswoman said.

"But we expected more tourists for the championships," said the spokeswoman, who asked not to be identified.

Some taxi drivers said the tourists had left town just before the racing started Tuesday.

Local businesses blamed organizers for scaring off potential guests by urging them to take buses or other public transportation instead of cars to the 1,500-meter-high (4,908-foot) resort.

"We're a family place with patrons who return every year, but this blow-out is probably here to stay for awhile. And don't worry too much about the Giants next season. They probably took care of the Denver Broncos, and themselves, too, last Sunday."

Michael Jordan was surprised by the basketball Wednesday night, his Bulls by the Celtics' 132-103 victory.

Cindy Lee/Reuters-LPI

Michael Jordan was surprised by the basketball Wednesday night, his Bulls by the Celtics' 132-103 victory.

Nets Out, Coach Out of Words

United Press International

NEW YORK — The New Jersey Nets joined an exclusive club Wednesday night — they became the fifth team to have lost to the Los Angeles Clippers this season.

"We were outplayed, out-coached, outstuffed and any other 'outs' you want to put in front of a god advert," the Nets' coach, Dave Wohl, said after the Clippers' 98-91 victory in a meeting of the National Basketball Association. "We took them lightly. We played as poor a game as we have in a long time."

Considering that the Nets had

SCOREBOARD

Basketball

U.S. College Leaders

Table with columns for Team, Pts., and Avg. listing various college basketball teams and their performance metrics.

U.S. College Results

Table with columns for Team, Pts., and Avg. listing college basketball game results.

NBA Standings

Table with columns for Conference, Team, Pts., and Avg. listing NBA team standings.

INDIVIDUALS

Table with columns for Player, Pts., and Avg. listing individual player statistics.

3-Point Field Goals

Table with columns for Player, Pts., and Avg. listing 3-point field goal statistics.

RECORDS

Table with columns for Player, Pts., and Avg. listing various basketball records.

ASSISTS

Table with columns for Player, Pts., and Avg. listing assist statistics.

REBOUNDING

Table with columns for Player, Pts., and Avg. listing rebounding statistics.

STEALS

Table with columns for Player, Pts., and Avg. listing steal statistics.

BLOCKS

Table with columns for Player, Pts., and Avg. listing block statistics.

POINTS

Table with columns for Player, Pts., and Avg. listing points scored statistics.

Skiing

World Championships

CRANS-MONTANA, Switzerland — For shopkeepers and hotel owners in this Swiss resort, the Alpine Ski World Championships have failed to bring the anticipated economic boom.

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Hockey

National Hockey League Standings

Table with columns for Division, Team, Pts., and Avg. listing NHL team standings.

WALEY CONFERENCE

Table with columns for Team, Pts., and Avg. listing Waley Conference standings.

PACIFIC DIVISION

Table with columns for Team, Pts., and Avg. listing Pacific Division standings.

ADAMS DIVISION

Table with columns for Team, Pts., and Avg. listing Adams Division standings.

WALEY DIVISION

Table with columns for Team, Pts., and Avg. listing Waley Division standings.

WEDNESDAY'S RESULTS

Table with columns for Team, Pts., and Avg. listing Wednesday's game results.

PHILADELPHIA

Table with columns for Team, Pts., and Avg. listing Philadelphia game results.

WEDNESDAY'S RESULTS

Table with columns for Team, Pts., and Avg. listing Wednesday's game results.

Transition

BASEBALL

NEW YORK — Stanislav Bob Shilov, pitcher, is a one-year contract.

PHILADELPHIA — Named Bill Walsh as offensive line coach.

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ESORTS & GUIDES

INTERNATIONAL CLASSIFIED

(Continued from Page 5)

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Pages 20 & 5 FOR MORE CLASSIFIEDS

OBSERVER

A Heap of Wallpaper

By Russell Baker
NEW YORK — It takes a heap of livin' not to feel envious when you read about television newscasters making \$1.2 million per year. Fortunately, a heap is the precise amount of livin' I have now underpinnin'.

about it. If I were deluged with TV millions, the massive ensuing volume of wallpaper decisions would probably destroy my marriage.

When incredible sacrifice finally enabled us to pay the last of the bills, I said never again to big bucks. Then, in spite of myself, came an unforeseeable windfall and catastrophe.

Friends who survived immense salaries told me such people were essential to involve me with non-existent cattle and real-estate projects so obviously doomed to lose millions that I would prosper on magnificent tax losses.

He changed tack, hoping to make my mouth water. February was coming up. Where did I plan to vacation?

Soon I was lost in the most baffling, nonsensical idiocies ever conceived by the mind of Congress. It was worse than college the year I decided to take calculus.

What's more, almost all my experts, who were collecting piratical fees for their services, were incompetent. Accountants got the arithmetic wrong. Tax financiers forgot to warn me about several of New York City's recently invented tax gouges.

Watching Berg at work is proof that there is an art to good recording. It shows in his relationship with his artists: how he creates a harmonious working atmosphere, how economically he uses time, and how sympathetically he manipulates technical resources to serve his own and the musicians' artistic goals.

What did I discover? First, that as soon as you acquire big bucks, the house has to be redecorated. Suddenly you are confronted with terrible decisions, mostly about wallpaper. I like wallpaper, but only as long as I don't have to think

A Record Producer at Work

By Andrew Clark
BASEL — Gerd Berg's name appears in small print at the bottom of the record jacket, but at recording sessions his influence looms large.



Record producer Gerd Berg: "In this business, there are always new dimensions."

Over the last 30 years, Berg has supervised recordings in most West European countries, as well as in East Germany. Based in Cologne, he visits Switzerland about twice a year to record chamber music in Riehen, a Basel suburb, where the community hall satisfies his three conditions for a recording venue: freedom from traffic noise, a gently resonant acoustic and an adjacent hotel for eating and sleeping.

making structure of a large international company. "It's a small business — the small companies can work much faster." For any given project, booking the artists and bringing them together can take a year. Berg used to be able to produce up to 50 records a year; now it is more like 20.

More than 25 years ago, Berg helped pioneer the recording of authentic performances on original instruments, thereby creating a new market in the classical field "at a time when it was considered adventurous and risky." His greatest satisfaction today comes from nurturing young West German soloists like Christian Zacharias and Frank Peter Zimmermann, and championing unusual repertoires.

"I've always tried to produce on the side of the large streets, to keep an interest in all kinds of music. One feeds the other. When you come from early music to Mozart, he can sound modern. When I listen to a recording I made two years ago, I sometimes can't believe how I could have passed it. One's method of judgment is constantly changing. In this business, there are always new dimensions."

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Woman Director Cited

Randa Haines is the first American woman — and only the second woman — to be nominated for the Director's Guild of America's highest honor. She was nominated by her fellow directors for "Children of a Lesser God," the love story of a troubled deaf girl and her teacher.

NBC News is parting company with Roger Mudd, whose "1986" program was canceled last month, according to a report published Thursday. Mudd's departure had been expected since December after the correspondent became engaged in bitter discussions with management about the cancellation of "1986," the news magazine program he co-hosted with Cosme Chang.

President Ronald Reagan should feel at home in the library designed to house his administration's papers, because the plans were crafted to reflect Reagan's personality, his architect says. The Ronald Reagan Presidential Library, which will be constructed on the Stanford University campus in Palo Alto, California, is "Western in style of architecture," Hugh A. Stubbins Jr. says.

The pool-playing legend Mississauga Fats shared some of his trick shots with Ron Reagan Jr., but he told the president's son, "The secret of pool is making easy shots." Fats, whose real name is Rudolph Wandorfer, had no trouble beating Reagan despite Reagan's preparatory training sessions in New York. Their game in Nashville, Tennessee, was a segment of ABC-TV's "Good Morning America," which plans a five-part series of Reagan re-enacting favorite movie roles. Reagan is a correspondent for the show. Fats was interviewed by the show's host, "Everytime I look I'm on television," he said. "I've been on TV 900,000 times."

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